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# FEDERAL APPROPRIATIONS AND AUTHORIZATIONS REFERENCE GUIDE FY2002 TABLE OF CONTENTS

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# AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES

## NATURAL RESOURCES AND ENVIRONMENT

### **Illinois River Basin Restoration Program, “Illinois River 2020”—Farm Bill Components**

The Illinois River Basin Restoration Program is a comprehensive proposal of authorizations and appropriations that will address the serious threats to the Illinois River and its tributaries and implement Illinois’ goals for the restoration, enhancement, and conservation for the Illinois River and its 55 county watershed. The Illinois River Basin Restoration Program is a two-tiered approach to provide a voluntary, incentives-based program that restores and protects the Illinois river hydrology and water quality, addresses urban non-point source issues, farmland protection and open space, land treatment for stormwater, and best management practices for upland areas that drain into the river and its tributaries.

The following natural resources and environment requests relate directly to the Illinois River Preservation Initiative:

- **ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)**

**Request:** *Fully fund the Environmental Quality Incentives Program (EQIP) at its authorized level and increase Illinois’ share to \$4 million.*

The EQIP provides financial, technical, and educational assistance to farmers and ranchers who wish to implement conservation on land currently in production. Half of the program funds must be used to address livestock-related concerns. Illinois only received \$2.4 million in EQIP dollars in 1998 and in 1999, respectively. In 1999, over 160 landowners could not participate in the program because there was a shortfall of \$1.8 million for projects. An additional \$4.5 was needed in 1999 to fund new EQIP priority areas that were denied because of insufficient funds.

- **WILDLIFE HABITAT INCENTIVES PROGRAM (WHIP)**

**Request:** *Dedicate \$1 million in FY02 to the Wildlife Habitat Incentives Program (WHIP) for the Illinois River Basin.*

WHIP offers cost-share assistance for up to 75 percent of the habitat restoration expenses and technical assistance for farmers, ranchers and other landowners who wish to implement wildlife habitat practices. Eligible practices include native grass restoration, riparian area restoration, and aquatic habitat establishment.

- **CONSERVATION RESERVE PROGRAM (CRP)**

**Request:** *Designate 200,000 acres of Conservation Reserve Program acres to the Illinois River Basin for FY02.*

The CRP provides farmers with technical and financial assistance, including annual rental payments, in exchange for removing environmentally sensitive land from production and implementing conservation

practices such as wildlife habitat restoration and field windbreaks. This expansion of acreage would bring an estimated \$909 million in new federal funding to Illinois for restoration over 15 years of the CRP contract lifetime.

- **WETLANDS RESERVE PROGRAM (WRP)**

**Request:** *Dedicate 1,000 acres of Wetland Reserve Program to the Illinois River Basin for permanent easements.*

The WRP offers technical and financial assistance to farmers who wish to restore and protect agricultural wetlands. The USDA provides up to 100 percent of the wetland restoration costs and up to 100 percent of the fair market agricultural value of the land in return for permanent or 30-year easements or wetlands restoration cost-share agreements. The allotment of this acreage would bring an estimated \$11 million in new federal funding to Illinois for wetland restorations.

- **CONSERVATION RESERVE ENHANCEMENT PROGRAM**

**Request:** *Expand the CREP in Illinois from 100,000 acres to 232,000 acres.*

Currently, the State of Illinois has in place a 4-year CREP agreement, which began in State Fiscal Year 99 to enroll 100,000 acres. The State of Illinois has dedicated \$18 million to fulfill the last two years of the agreement, which expires in FY02.

To date, Illinois leads the nation in the number of acres that have been enrolled with 58,887 acres, over half of the state's goal. This enrollment of acres outpaces the other states by 3 to 1. Expansion of the number of acres allotted to Illinois from 100,000 to 232,000 will enable the state and its partners to enroll the most crucial areas of land in the floodplains within the Illinois River Basin. These additional 132,000 acres will have the greatest impact to the full restoration of the basin.

- **MAHOMET AQUIFER CONSORTIUM**

**Request:** *A total of \$10 million for an extensive study of the Mahomet Aquifer in Central Illinois over ten years.*

The Mahomet Aquifer Consortium is proposing a study of the Mahomet Aquifer in Central Illinois. The Study will identify and resolve water quality and quantity issues, help ensure a water supply for the future, optimize future water costs, and promote planned economic development for the communities affected by the aquifer. The project is broken down into 2 phases with phase one taking 3 years and an estimated cost of \$4 million dollars. Phase two will cost \$6 million and take 6 years to complete.

- **ILLINOIS GROUNDWATER INITIATIVE AT SOUTHERN ILLINOIS UNIVERSITY-CARBONDALE**

**Request:** *\$1 million to establish a small outreach center in southern Illinois, plus \$600,000 annually for three years to continue research funding for publications and data to be used by farmers, educational institutions, and management agencies. Funding is sought from the Agriculture Appropriations bill through USDA's Cooperative State Research, Education, and Extension Service.*

The Illinois Groundwater Consortium (IGC), established in 1990, has been funded by Congressional appropriations to investigate short- and long-term effects of agricultural chemical contamination on groundwater, the environment, and ultimately, human health and welfare. Consortium members—the Illinois State Geological Survey (ISGS), the Illinois State Water Survey (ISWS), Southern Illinois University-Carbondale (SIUC), Southern Illinois University-Edwardsville (SIUE), the University of Illinois (UIUC) Agricultural Experiment Station, and the University of Illinois Cooperative Extension Service—have been working together to provide a scientifically valid bases for agricultural chemical management and regulatory decisions affecting groundwater.

During its first years, the IGC focused on issues of agricultural contamination of groundwater resources. Between 1996 and 1999, IGC-funded research was directed to the effects of and recovery from the extensive flooding that occurred in 1993-94 along the Mississippi, Missouri, and Illinois Rivers and their tributaries. In the FY00-01 funding interval, research is focusing on the effects of land-use practices and changes in land-use practices on groundwater quality and quantity, with an emphasis on long-term (past and future) assessments and consideration of cultural (social, political) contexts of decision-making. During the FY01-03 funding period, research will continue to focus on the above but with greater emphasis on water quantity issues and educational outreach to management agencies, education institutions, and farmers in the form of “user friendly” publications.

## AGRICULTURAL RESEARCH AND ECONOMICS

### • ECONOMIC ASSISTANCE FOR AGRICULTURE

**Request:** *Plan for the possible need of farm income assistance in FY02, including the doubling of the AMTA payment to farmers and producers.*

Unless market conditions improve for the 2001 crop year, support for farmers and ranchers will be needed. In the fiscal year that ended September 30, 2000, USDA made a record \$28 billion in direct payments to farmers and ranchers to help them weather these low commodity prices. In the coming months USDA will be distributing more than \$4 billion in additional emergency funds. Similar funds will be needed in FY02.

Farmers and ranchers continue to experience very difficult market conditions, with many commodities at or near their price lows. Under the 1996 Farm Bill's formula, marketing assistance loan rates could fall from the current levels if directed by the USDA Secretary. Based on current projections, for example, the corn loan rate would fall from \$1.89 per bushel to \$1.76; the wheat loan rate would fall from \$2.58 per bushel to \$2.43; and the soybean loan rate would fall from \$5.26 per bushel to \$4.92. A change in loan rates or a decrease in farm and ranch income will be detrimental to the rural economy.

### • FEDERAL-STATE COOPERATION IN WAREHOUSE EXAMINATION AGREEMENTS

**Request:** *\$400,000 Federal reimbursement for state examinations used by the Commodity Credit Corporation (CCC). This would be a new program requirement for USDA.*

In 1997, USDA terminated its cooperative agreement with states to reimburse them for grain elevator examinations performed by state inspectors. Illinois' inspectors continue to inspect and share this same information with CCC, but receive no federal reimbursements for their efforts. Given the fact that today's corn and soybean crop prices are near their record lows and participation in CCC's programs are at record highs either in LDP or CCC loans, the Department is asking USDA to again cost share the additional expense of time spent on warehouse examinations by Department staff.

Prior to 1985, federal policies dictated that commodities would be isolated from market prices and forces until prices rose to specified levels. As a result, large inventories and U.S. government owned commodities and commodities pledged as collateral for price support loans accumulated and the facilities in which these commodities were stored had to be examined to adequately protect the Commodity Credit Corporation's (CCC) interests.

This led to CCC relying heavily on a cooperative agreement with the Department because the volume of workload associated with these high stock levels did not make it feasible for CCC to hire and train a workforce that would be adequate to conduct all the necessary examinations. USDA terminated this program in 1997 after the enactment of the farm bill and the low amount of commodities under loan and CCC control. Illinois' storage share and federal reimbursements were: In 1993/4, 7.78 million bushels of grain stored—\$364,920 reimbursed; in 1994/5, 7.87 million bushels - \$364,820 reimbursed, in 1995/6, 8.04 million bushels of grain—\$379,487 reimbursed.

**• AGRICULTURAL RESEARCH FUNDING**

**Request:** *Increase USDA ARS Research funding by \$1 billion dollars a year, which would provide approximately \$60 million to Illinois.*

Food and fiber are fundamental to life and health. Federal spending on health research has more than doubled. Today, federal spending for the National Institutes of Health is nearly \$18 billion, 10 times that of food and agricultural research, extension and education at USDA. By any comparison, whether in terms of payback, future potential, or importance to the average family, federal investment in food and agricultural research is woefully inadequate.

Publicly supported food and agricultural research and education were major contributors to the ascension of the U.S. during the “American Century.” U.S. food and agriculture researchers and educators contributed to the Green Revolution that saved a billion people from starvation. Promising research breakthroughs in genetics, nutrition, information technology, food production and safety and ecosystem management hold great potential for even greater strides in the 21st century.

Despite being the best-fed nation with the lowest share of income spent on food, many critical national food, agricultural and natural resource challenges remain. Some \$100 billion of annual health costs are linked to poor diets and food-borne pathogens. Agriculture’s continued viability and competitiveness in the global food system depends on technological, management and policy advancements based on the most sophisticated cutting-edge research and education. The public has rising expectations for a clean and healthy environment and a safe, nutritious and health enhancing food supply.

Scientific studies document that each taxpayer dollar spent on agricultural research, extension and education pays back \$8 in public benefits. These benefits are proportionately greater for low income and disadvantaged, who spend a much larger proportion of their incomes on food. Yet, after adjusting for inflation, federal investment in food and agricultural research has been flat for two decades.

**• VALUE-ADDED AGRICULTURE**

**Request:** *Increase overall funding to USDA programs like Rural Business Cooperative Services Agency, Rural Business Programs, Cooperative Development Grant Programs, Value Added Grant Programs, Rural Business Enterprise Grant Programs, and Rural Business Cooperative Services Programs/Rural Development Mission statement areas and in the areas of biotechnology, biofuels, and biomass research and developments.*

Each part of the U.S. is unique in terms of agronomic conditions, on-farm resources, access to markets, the price basis, transportation systems, and other factors. All of these factors affect the types of specialty crop and livestock that can be profitably produced as well as the potential for value-add processing in each eco-region.

To maintain the diversity of U.S. agriculture, agribusinesses and food processing and manufacturing industry, to create a unique opportunity for farm families and rural communities in the global food economy, and to create an agriculture and food system that uses natural resources wisely, a major commitment is needed now to develop policies and make critical investments that will advantage the U.S. economically in the high tech competition of the 21<sup>st</sup> century global food and agriculture system.

There is significant potential for collaboration in innovations to create the new economy food and agriculture sector with major private sector partners such as DuPont, Monsanto, Rennessen, Syngenta, Protein Technologies International, ADM, Kraft Foods and others, as well as new era producer cooperatives and producer alliances.

The “first wave” of agribiotechnology has been dominated by designer input traits that improved yields and lowered costs by incorporating herbicide, disease and insect resistance into corn and soybeans. Bt corn and Roundup Ready soybeans are examples. Rootworm resistant corn is on the horizon. First wave advancements will continue and will accelerate.



The “second wave” of agribiotechnology is rapidly approaching. It focuses on value-enhanced traits, bioproducts and functional food and pharming. Examples include: unique traits in corn, soybeans, and wheat that create value for livestock feeders and food companies; in improved processing efficiency and for energy, industrial, and human health applications.

Bioengineering plants and animals to produce nutraceuticals and pharmaceuticals, such as cancer preventing agents, will change the health care industry and bring integration with agriculture. Edible vaccines delivered through fresh foods like apples or potatoes will change the landscape of drug production and delivery. Corn modified to fight osteoporosis; and soybeans, with unique human disease resistance qualities and health improvement attributes, will turn commodities into functional food products.

On “Pharms,” herds of novel transgenic animals will serve as “bio-pharmaceutical factories” to produce drugs, medicines and even organ donors for human transplants. A genetically engineered dairy cow, goat and/or sheep herd will produce medicines deposited in milk at a fraction of the cost of traditional methods of production.

Bioproducts and biochemicals bioengineered from plants will support biobased value-added products and fuels for domestic use and export replacing petrochemical feedstocks with biomass materials. Biobased fuels, such as ethanol, produced from customized plant biomass technologies using cost competitive bioprocesses will dramatically reduce dependence on imported oil.

Federal policies must be responsible, support these new ventures, and regulate with sound science principles.

• **ENVIRONMENTAL RESEARCH AND OUTREACH PROGRAMS AT THE UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *\$130,000 for the Illinois Water Resources Center; \$1.1 million for the Illinois-Indiana Sea Grant College Program; and \$700,000 for the Midwest Technology Assistance Center.*

The concept of this proposal is to build on existing federal/state partnerships to help Illinois communities and agencies address issues of natural resource development and protection. The proposed program draws on three statutory programs for research and outreach on natural resources and the environment: 1.) In partnership with the U.S. Geological Survey, the Illinois Water Resources Center receives federal matching funds to conduct university-based research and outreach on water resources issues. 2.) In partnership with the National Oceanic and Atmospheric Administration, the University of Illinois and Purdue University jointly conduct the Illinois-Indiana Sea Grant College Program. Sea Grant conducts research and outreach to help citizens and communities understand and manage coastal resources. 3.) In partnership with the U.S. Environmental Protection Agency, in 1998, the Midwest Technology Assistance Center (MTAC) was formed at the University of Illinois to help small communities solve problems of safe drinking water supply. By strengthening these partnership programs, the proposed research and outreach will improve knowledge of Illinois’ natural resources and their wise use in economic development.

• **ILLINOIS-MISSOURI BIOTECHNOLOGY ALLIANCE**

**Request:** *\$3 million in funding for the Illinois-Missouri Biotechnology Alliance.*

The State of Illinois supports funding for the Illinois-Missouri Biotechnology Alliance to continue research at the Universities of Illinois and Missouri on biotechnology. Congress appropriated \$1.184 million in funds for this project in FY00. The Illinois-Missouri Biotechnology Alliance is a competitive grants program focused on biotechnology issues related to the production and utilization of corn and soybeans as they are produced in the mid-western U.S.

- **SOYBEAN DISEASE BIOTECHNOLOGY RESEARCH CENTER**

**Request:** *Request \$3.5 million for FY02.*

It would be established within the National Soybean Research Laboratory (NSRL) at the University of Illinois, the Center will be the first line of defense against major soybean diseases that threaten the most important “biofactory” of new foods and uses in the future, namely, the soybean crop. Scientists in the Center will employ cutting edge biotechnology research to provide soybeans with new and improved mechanisms of escape from, tolerance of, and resistance to major pathogens, including soybean cyst nematode (SCN) and other soy diseases that threaten the profitability of the soybean industry. The Center will draw on the 17,000 lines in the National Soybean Germplasm Collection at the NSRL and apply the power of structural, comparative, and functional genomics and genetic transformation. The Illinois soybean industry will provide funds to help establish the Center and support its research program.

- **CENTER FOR ALTERNATIVE AGRICULTURE CROPS AND PRODUCTS**

**Request:** *\$1.95 million for the Center for Alternative Agriculture Crops and Products at SIU-Carbondale.*

This center synergizes various corporations, agencies, and regional universities of the heartland and mid-south to explore alternative income crops and products for Southern Illinois, Illinois, and the region. Emphasis would be on increased farm income and increased rural development through added production, processing, and employment. The plan calls for \$1.95 million for renovation and expansion of a 13,000-sq. ft. building on SIU-Carbondale campus.

- **SIU SOYBEAN GENOMICS LAB**

**Request:** *Seek 189,000 for the Soybeans Genomics Lab at SIU.*

Expand the current laboratory to accommodate four added faculty researchers in soybean genomics and transformation.

- **RENEWABLES BIOPROCESSING RESEARCH PROGRAM**

**Request:** *Seek \$20 million for the Renewables Bioprocessing Research Program at the University of Illinois.*

The Renewables Bioprocessing Research Program (RBRP) is an effort by the University in collaboration with other agencies and institutions to provide “plant to product” research information for the production and processing of corn, soybeans, and wheat. Objectives of the RBRP program are: 1.) Establish an interdisciplinary collaborative research effort in the production and development of new food and industrial products from corn, soybeans, and wheat coproducts; 2.) Establish an interdisciplinary collaborative research effort to improve the overall efficiency of converting renewable corn, soybean and wheat coproducts into saleable products; 3.) Enhance the development of small-scale laboratory procedures to accurately predict the genetic capabilities of different genotypes, phenotypes, and varieties to make desired end use products; and, 4.) Provide commercial companies with a single integrated program of contract research.

## **EDUCATION AND TRAINING**

- **SIU/U OF I OUTREACH CENTER**

**Request:** *Seek \$1.8 million for a joint SIU/U of I outreach center.*

Located on the Carbondale, IL Campus, University of Illinois Extension Service and SIU College of Agriculture Agribusiness Economics Department will partner to serve Southern Illinois constituents via on-site classroom instruction, digital television delivery, and web-based access. Building 103 on the Carbondale campus would be renovated, expanded, and rewired. Estimated cost is \$1.8 million.

- **SIU PLANT AND ALTERNATIVE CROP TRAINING CENTER—BELLEVILLE, IL**

**Request:** *Seek \$2.5 million for a Plant and Alternative Crop Training Center at Southern Illinois University Belleville Research Station.*

Add a 10,000-sq. ft. facility for university and industrial training on the SIU Belleville Research Station site near the Mid-America airport. The facility would allow agricultural industries of the Metro-East (St. Louis) area to have access to an indoor multimedia training/meeting facility. This plan allows for synergy with Donald Danforth Plant Science Center shared use of land and 1,200-sq. ft. of wet-laboratory space. Construction cost is estimated to be \$2.5 million.

## FOOD SAFETY AND INSPECTION SERVICE

### • WHOLESOME MEAT INSPECTION PROGRAM COST SHARE

**Request:** *Increase USDA support of Illinois Wholesome Meat Inspection Program to cover 50% of the total program cost as required in the joint state/federal cooperative agreement. The federal allocation required in FY02 is \$5,224,155 (an additional \$638,155 over the FY00 allotment).*

The State of Illinois maintains a Wholesome Meat Inspection program as part of a cooperative agreement with the federal government's Cooperative Inspection Program of the United States Department of Agriculture's Food Safety and Inspection Service. The cost of the state Wholesome Meat Inspection program is designed to be shared evenly (50/50) with the federal government. However, the federal government is not meeting its commitment to fund 50% of the state program costs. Federal program officials indicate that meeting 50% of program costs is a goal that they have been unable to reach as the federal appropriations have been relatively flat over the last several years and new states have joined the program (most recently Minnesota).

Federal officials appear to have considerable leeway in determining the distribution of funds among the states, considering each state's budget request to determine the most equitable distribution of limited available resources. The federal government should increase the total federal appropriation so that all states can be funded at 50% of program costs..

### • NATIONAL CENTER FOR FOOD SAFETY & TECHNOLOGY AT IIT

**Request:** *\$3 million through Agriculture Appropriations bill for the National Center for Food Safety & Technology at the Illinois Institute of Technology.*

IIT seeks continuation of the \$3 million received annually by its National Center for Food Safety & Technology. Through the leadership of Senator Durbin and Congressman Lipinski, the Center received \$3 million in both the FY00 and FY01 Agriculture Appropriations bills. The Center needs the funding to continue its progress in fighting the growing incidence of food borne illness. The Center will continue developing its pilot plant into a state of the art food processing-pathogen laboratory. The Center's goal is to be able to stage multiple full-size trials and then transfer the technology to food production facilities. Another goal is expanding the Center's collaboration with the food industry. The federal funding has improved the Center's programs so that more food companies want to join the Center for help in protecting their processes. Over the last two years, food company membership has grown from 43 to 75.

### • QUALITY ASSURANCE PILOT CERTIFICATION PROGRAM FOR SMALL MEAT PROCESSORS

**Request:** *Seek \$250,000 a year for three years to establish a Quality Assurance Certification Program under the IL Dept. of Agriculture for small meat processors.*

This Pilot Program is an effort by the Department to establish a Quality Assurance Certification Program for small meat and poultry slaughter and processing plants. Under this certification program, the Department will contract with food safety experts to provide education and HACCP compliance training to plant management and employees. After completion of the project, material can be used by other states.

• **NATIONAL FOOD TESTING CENTER AT THE UNIVERSITY OF ILLINOIS**

**Request:** *Seek \$25 million to create a state of the art National Food Testing Center at the University of Illinois.*

To create a state-of-the-art facility for conducting safety and efficacy research on new, improved, and functional foods, including health-related, genetically enhanced foods. The National Food Testing Center will support and expedite the most important experiments on foods, that is, tests to assure that they are safe and effective. Through these experiments, hundreds of new and improved foods and related products will be tested and approved for human use, resulting in greatly improved human health, quality of life, and longevity. This will enable the U.S. to capture proprietary benefits from its investment in agricultural and biomedical research. In addition, consumers of these products will be fully confident that these products will be safe and effective.

## **ANIMAL RESEARCH**

- **TRANSGENIC ANIMAL RESEARCH CENTER AT SOUTHERN ILLINOIS UNIVERSITY-CARBONDALE**

**Request:** *\$370,000 for the Transgenic Animal Research Center at Southern Illinois University Carbondale (SIUC).*

Both the SIUC College of Agriculture and the SIU School of Medicine are in an excellent position to move forward with new and intensive technology research and education initiatives in transgenic livestock research, including cloning, gene, and disease research. It is necessary, however, in order to renovate and expand existing facilities at the SIUC livestock production units and to create two laboratories at the School of Medicine in order to meet NIH guidelines for containment and confinement of transgenic animal, provide laboratory and surgical space, and veterinarian office space.

At the School of Medicine, SIU proposes to develop a core facility in the animal laboratories at SIU School of Medicine. This core facility will enhance ongoing and proposed genetics research and allow faculty of the SIU School of Medicine to study the gene/disease relationships. This facility will permit the genetic construction of mice that either express or do not express the genes that have been identified as important in the development of a particular disease.

- **LIVESTOCK GENOME SEQUENCING INITIATIVE AT UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *\$1.6 million is federal funding is requested through the USDA-ARS to the University of Illinois for this initiative.*

International participants in a Livestock Genome Sequencing Initiative (LGSI) will create an ordered map of large insert DNA clones covering the entire DNA in major species of food animals (i.e. cattle and pigs) and will sequence all the DNA in those clones, so that every gene in each of those species is identified. The resulting map and sequence information will be placed in databases that can be accessed by scientists using bioinformatics to help establish the function of genes, thus leading to valuable practical applications. In order to obtain timely access to the resulting information, it is especially important for the University of Illinois to be involved in leading the effort to map and sequence the cattle and swine genomes.

- **NATIONAL FOOD ANIMAL INSTITUTE**

**Request:** *\$1 million a year for three years.*

The Institute would be established by the Department of Agriculture in Illinois to review research through peer review and to publish and disseminate unbiased information about all the aspects of the food animal industry. It would maintain comprehensive information systems for the improvement and enhancement of the food animal industry for use by the public, government agencies, and other interested parties. The Institute must fulfill its purpose with unbiased integrity.

**• JOHNE'S DISEASE PILOT PROGRAM**

**Request:** *Seek \$1 million over a three year period to start a pilot program in IL under the IL Dept. of Agriculture.*

Johne's disease is a wasting disease of cattle, sheep, goats and cervidae. This disease is contracted through direct contact with infected animals, which are generally infected at a young age, but may not exhibit signs of the disease until they are four or five years of age. There is no cure for Johne's disease. It has been estimated that economic losses can amount to \$227 per cow. A recent National Animal Health Monitoring System (NAHMS) sampling of Illinois dairy cows, indicated a prevalence of at least 10% in the cull cows from the dairy herds tested. Illinois would like to start a pilot program that could be used as a model for the US.

**ANIMAL PLANT HEALTH INSPECTION SERVICE (APHIS)****• NATIONAL COOLWATER BROODFISH CENTER AT SOUTHERN ILLINOIS UNIVERSITY-CARBONDALE****Request:** *\$1.25 million for the National Coolwater Broodfish Center at SIUC.*

A crucial need exists for selectively bred coolwater broodfish (sexually mature fish that are used to produce offspring for stocking) such as hybrid striped bass, largemouth bass, sunfish, walleye, yellow perch, as well as coolwater strains of trout and catfish. Domestication and selectively breeding are necessary long-term activities that cannot be expected to be supported by traditional granting programs that are almost universally limited to time horizons of just a few years.

The objectives will be to domesticate suitable strains of coolwater species for commercial foodfish production, selectively breed coolwater fishes for desirable traits (rapid growth, disease resistance, better dress-out, etc.), maintain genetic histories of coolwater broodfishes, and provide selectively bred coolwater broodfishes to the aquaculture industry. The National Coolwater Broodfish Center, in conjunction with SIU's other programs, will serve as a powerful catalyst for aquaculture development in the US.





# COMMERCE, JUSTICE, STATE AND JUDICIARY

## COMMERCE

### • **SMALL BUSINESS DEVELOPMENT CENTER PROGRAM (SBDC)**

**Request:** *Illinois supports funding for the SBDC Program at \$100 million, an increase of \$12 million over the FY01 level of \$88 million. The State of Illinois opposes budget decreases that would require SBDC to charge a fee to small business clients.*

Forty-two Small Business Development centers and satellite centers, funded by the SBA Small Business Development Center Program and State General Revenue funds, provide businesses with management, marketing, financial information, counseling, and training. The Centers assist in the development of business and marketing plans along with improving business ownership skills, financial analysis of businesses, accessing specialized services including export and government marketing and other business management needs.

Since 1986, the Small Business Development Centers have served over 362,500 clients in Illinois. The Centers are responsible for creating 42,847 jobs and retaining 49,997 positions. Our small business clients, with assistance from our center counselors, have secured over 5,065 loans totalling over \$831,245,400.

### • **REGIONAL CLIMATE CENTERS**

**Request:** *\$3.5 million in FY02, and \$4.3 million in subsequent years (from NOAA and NESDIS).*

The Midwestern Climate Center is located at the Illinois State Water Survey. The data provided by the Regional Climate Centers is used for a wide variety of economically important applications. Illinois benefits from this information in engineering design, energy management, management decision-making for agriculture, transportation, water resources, and business.

In 1998 more than 1.1 million people in the Midwest were served by the MCC, approximately 20 percent of these in Illinois. The value of climate information to Illinois from the agricultural, energy, and transportation sectors alone amounts to more than \$400 million per year in benefits and avoided costs. Across the nine Midwestern states benefits and avoided costs amount to more than \$4 billion.

### • **SOUTH CAMPUS RETAIL INCUBATOR AT UNIVERSITY OF ILLINOIS-CHICAGO**

**Request:** *\$400,000 in capital development funds from the Department of Commerce—Economic Development Administration to provide retail space at below market rental rates.*

The proposed retail incubator would designate approximately 4,000 square feet of the 120,000 square feet of the retail portion of the development to accommodate two to four businesses with rents lower than the proposed market rate.

The \$525 million south campus development will generate more than \$1 billion in economic activity, including more than 200 permanent jobs. The retail incubator corresponds well with the University's Great Cities Initiative in the Pilsen and Near West Side community areas. The University will invite the

UIC-Community Committee, which includes representatives of 21 community organizations, to help identify businesses or potential businesses that could benefit from the incubator.

• **NATIONAL CAPABILITY FOR VIRTUAL OFFICE APPLICATIONS AT THE UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN (UIUC)**

**Request:** *Illinois supports the University of Illinois' request for \$5 million per year for five years to create the National Capability for Virtual Office Applications in Champaign-Urbana.*

The U.S. Department of Commerce notes that in 2001, 60% of all jobs will require skills with technology. Forty-four million adult Americans presently lack the basic computer literacy needed to compete in the workplace. According to experts, due to the lack of qualified applicants, there is a projected gap of more than 840,000 unfilled information technology positions this year, growing to over 1 million over the next two years.

This Capability will educate students, researchers and developers at UIUC, Parkland College and local public schools. Additionally, it will provide students with the education, tools, processes and applications experience that would enable them, as graduates, to quickly fit into distributed collaborative development efforts. The research, development and education will support the “virtual office” information technology and software development paradigm of the future. The “virtual office” concept is one where telecommuting employees work on software development projects from their homes or other remote places of business in support of team development projects.

This unique combination of research, education and collaborative applications software development would directly benefit the entire information technology industry. Over a period of five years, this dual-use collaborative development and training Capability could grow to more than 1,000 researchers and developers and could have an economic impact in Champaign-Urbana exceeding \$250 million.

• **COMMUNITY COMPUTING, TRAINING AND INFORMATION WORK CENTER AT THE UNIVERSITY OF ILLINOIS-CHICAGO**

**Request:** *\$570,000 from the Department of Commerce—Economic Development Administration for computer workstations, scanners, routers, wiring and advanced telecommunications connections for such a facility.*

Community leaders have requested a community-computing center for the ABLA Homes neighborhood. Illinois supports UIC proposal of a Community Computing, Training, and Information Work Center for the ABLA homes development of the Chicago Housing Authority, adjacent to the UIC campus. The facility will be located in a UIC-owned building in the ABLA homes community that also houses a branch of the Chicago Public Library.

Community computing facilities serve an important need for training and computer access. The UIC-owned third floor above the Theodore Roosevelt Chicago Public Library, located in the 1101 West Taylor building in the heart of the neighborhood, provides a strategic opportunity for the placement of an effective computer program within a community setting.

A training program built around an actual place of employment will be effective and sustainable as an economic development effort. The present proposal locates the community-computing center within an existing UIC-owned building located in the community, with adjacent floors leased by the Chicago Public Library. The UIC community location will draw directly upon the resources of the university and the public library for training and employment on a continuing basis. A work entry program will offer hourly employment by the UIC Survey Research Lab for telephone interviewers.

• **ENVIRONMENTAL RESEARCH AND OUTREACH PROGRAMS AT THE UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *Illinois supports funding of the Illinois-Indiana Sea Grant College Program at \$59 million, which would provide Illinois-Indiana with approximately \$1.1 million.*

The concept of this program is to build upon existing federal and state partnerships to help Illinois communities and agencies address issues of natural resource development and protection. In partnership with the National Oceanic and Atmospheric Administration, the University of Illinois and Purdue University jointly conduct the Illinois-Indiana Sea Grant College Program. Sea Grant conducts research and outreach to help citizens and communities understand and manage coastal resources.

The State of Illinois and its cities are committed to sustainable economic development or redevelopment that does a better job of protecting natural resources. Through more adequate funding for research and outreach programs, the University will help Illinois citizens find and implement solutions to major natural resource and environmental issues.

By strengthening this partnership program, in conjunction with the Illinois Water Resources Center and the Midwest Technology Assistance Center, the proposed research and outreach will improve knowledge of Illinois' natural resources and their wise use in economic development.

## JUSTICE

### • THE PAUL COVERDELL NATIONAL FORENSIC SCIENCES IMPROVEMENT ACT

**Request:** *For FY02, the Illinois State Police requests full national funding in the amount of \$85.4 million. IL's share of the funds would be \$2.8 million, which would be an increase of \$1.6 million over FY01. The national level of funding for FY01 was \$35 million.*

The National Forensic Sciences Improvement Act authorized a funding level of \$482 million over a six-year period to approximately 600 qualified state and local crime laboratories and medical examiners' offices. This act will provide for an infusion of federal funds aimed at insuring that this critical component of criminal justice meets the stringent tests of reliability, timeliness, and credibility in all states and jurisdictions. This act will pay for laboratory accreditation, automated equipment, supplies, training, facility improvements, and staff enhancements.

There has been an increase of evidence because of the forensic technology in solving crimes. However, funds had not been available for the analysis of increased evidence and staff support until this act passed in the 106<sup>th</sup> Congress. Now we need to make sure that the full funding levels are met to ensure that this critical area of law criminal justice is used to its potential.

### • EDWARD BYRNE MEMORIAL STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE PROGRAM

**Request:** *Continue funding the Byrne Program at or above the FY99 level (\$505 million), with no additional unfunded mandates being placed on this program; e.g. Aimee's Law and the Jacob Wetterling Act (mandates which have already passed and could have an impact on federal funds in Illinois). Illinois' FY99 share was \$20.3 million. This would be an increase over the FY01 national appropriation of \$498.9 million (after the .22 percent cut).*

The Edward Byrne Memorial State and Local Law Enforcement Assistance Program supports government programs that enable the enforcement of Illinois drug laws and help decrease the likelihood of violent crime. Illinois received a federal award of \$19.8 million under this program for FY00. The State is required to set aside five percent of the award to improve criminal history records. Of the remaining funds, after administrative costs are deducted, a minimum of 64.51 percent must be passed through to local units of government and the remainder may be spent by state agencies.

Since its inception, the Byrne Program provided funding to many areas of Illinois' criminal justice system, with particular focus on drugs and violent crime. Among other things, Byrne funds have been used at the local level to support multi-jurisdictional narcotic enforcement and prosecution programs, and have been used to start new programs for probation, prosecution, public defense, law enforcement, courts, etc. At the state level, funds are used for special appeals projects, technology advancements in DNA and AFIS, and other important initiatives. It is critical for the continuation of these programs as well as for the development of new programs that the Byrne program be continued at or above the \$505 million funding level, with no additional mandates.

### • VIOLENT OFFENDER INCARCERATION/TRUTH-IN-SENTENCING (VOI-TIS)

**Request:** *To continue funding for the VOI-TIS program at or above the FY99 level (\$720.5 million). This is an increase from the FY01 amount of \$685 million. Illinois share of the FY00 national appropriation (\$686.5 million) was \$26 million, which is a decrease from Illinois' FY99 share of \$28 million. Illinois will not know its FY01 share until the fall of 2001.*

The Violent Offender Incarceration and Truth-in-Sentencing (VOI-TIS) incentive grant program was established in 1996 and provides funding to states to build or expand correctional and juvenile detention facilities in order to increase secure confinement space for adult and juvenile violent offenders. The Violent Offender Incarceration grants are allocated to states using a three-tiered formula based on eligibility criteria. States also must comply with specific conditions to qualify for Truth-In-Sentencing incentive grants, which are awarded to states that implement laws requiring that people convicted of Part 1 violent offenses to serve not less than 85 percent of the sentence imposed.

Since this program began, Illinois has been awarded over \$99 million. With these funds, Illinois has added several hundred beds for violent offenders to the Illinois Department of Corrections. Additionally, 15 percent of Illinois' funds have been passed through to local entities for construction or expansion of juvenile detention facilities: two brand new sites, and three expanded sites. Illinois is still in need of these funds to provide the optimum number of spaces available to detain violent offenders, for adults and juveniles at the state level and juveniles at the local level. For FY00, Illinois received approximately \$26 million.

• **LOCAL LAW ENFORCEMENT BLOCK GRANTS PROGRAM**

***Request: To continue this program at or above the FY00 national funding level of \$523 million. Illinois share was \$25 million, with approximately \$24 million going directly to eligible communities, and the Authority administering the remaining \$1 million. Both the national and state amounts have remained the same for the past three years.***

Under the Omnibus Federal Fiscal Year 1997 Appropriations Act, Public Act 104-208, the U.S. Department of Justice's Bureau of Justice Assistance makes funds available to units of local government under the Local Law Enforcement Block Grant program for purposes of reducing crime and improving public safety.

In FY00, Illinois received \$25 million for this program. The federal government directly awarded about \$23.9 million of this amount to units of local government in Illinois according to a formula based on population and violent crime rates. The Authority is administering the remaining \$1.1 million in funds. Units of local government that did not qualify for the direct federal award funds are eligible to apply for these funds. The Authority will issue a request for proposals to provide funds for equipment related to officer safety and essential police services in local police and sheriffs' departments. In response to a request for proposals for the approximately \$1 million available in FY99, over \$5 million in requests were received from 360–370 local communities. Only a small portion (60–65 communities) were funded due to the limited funds available.

• **JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT PROGRAM**

***Request: To continue this program at the FY00 level of \$250 million or greater funding level and to extend the time frame in which the grant funds must be expended. Illinois' share in FY00 was \$8.4 million, which is slightly down from the two previous years of \$8.7 million. The national appropriation for this program has remained level at \$250 million, with a \$500,000 reduction in FY01 as a result of the .22 percent cut.***

The Juvenile Accountability Incentive Block Grants (JAIBG) program was enacted in 1998 to promote greater accountability in the juvenile justice system. Program grants support local efforts to reduce delinquency and crime, and hold young people, their families and the juvenile justice system accountable for improving the quality of life in every community. The JAIBG program focuses on the development and administration of accountability-based sanctions for juvenile offenders, making funding available to prosecutors to more effectively address drug, gang and youth violence problems, and establishing information-sharing programs that would allow schools, criminal justice systems and social service centers the tools needed to make informed decisions regarding the treatment and prevention of young criminals.

The Authority has been awarded \$8.7 million for FY98, \$8.7 million for FY99 and \$8.3 million for FY00. Seventy-five percent of the funds must be passed through to local units of governments. Based on a formula of criminal justice expenditures and violent crime rates, communities eligible for \$5,000 or more automatically received funding. Request for proposals and a needs based allocation process were used for the remaining local pass through funds. The Illinois Department of Corrections uses a majority of the state level funds for juvenile parole agents.

• **STATE CRIMINAL ALIEN ASSISTANCE PROGRAM (SCAAP)**

**Request:** *Increase the funding levels in FY02. The level of funding in FY01 was \$563.7 million. IL received approximately \$1.5 million in FY01, a decrease of \$6 million from FY01.*

The State Criminal Alien Assistance Program (SCAAP) program is designed to reimburse states for the costs associated with the incarceration of criminal aliens, as well as local correctional facilities. Grant awards provide partial reimbursement to states for the cost of incarcerating criminal aliens based upon the total funds available under the program and the amount requested from all states and the local governments. The program is administered through the Bureau of Justice Assistance. IDOC was awarded \$7.5 million in FY00 SCAAP funds.

• **INTEGRATED RECORDS MANAGEMENT SOLUTION**

**Request:** *Direct \$4 million in federal appropriations for the Illinois State Police initiatives related to the development on an integrated records management solution, and \$250,000 per year after the first year to maintain the system. Future NCHIP funds are anticipated to be used for this initiative.*

In alignment with initiatives currently being pursued by the State of North Carolina, Illinois seeks consideration for direct federal appropriations for initiatives related to the development of an integrated records management solution. There is a critical need for a detailed and holistic view of all information surrounding the occurrence of crime and the subsequent actions of the community and law enforcement to combat and prevent it.

The Illinois State Police seek the development of a records solution that comprehensively integrates all processes within a single system. A system meeting the requirements would provide:

A single source through which one can access information about an incident and the people, places, and things involved in that incident

More meaningful statistical data used for crime, traffic, and manpower analysis

Data Mart/Warehouse reporting capabilities with up-to-the-minute currency of information

Statewide access to information by all criminal justice agencies

Meets National Incident Based Reporting (NIBRS) requirements automatically

Automated case management with additional tools for easy track of crimes trends, criminal activities in high crime areas, reduced administrative fieldwork, and sharing information with other criminal justice agencies.

ISP has estimated the cost for a system which meets these requirements at \$4 million. Following implementation, this system will cost approximately \$250,000 per year to maintain. Additional headcount necessary for initial development (first one to two years) has been estimated at nine, with five needed for ongoing support efforts.

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• **FEDERAL FUNDING FOR SINGLE FINGERPRINT TECHNOLOGY**

**Request:** *Illinois State Police request \$3 million in FY02 for the program to be shared by the agencies and groups listed below for single fingerprint technology. IL has already invested \$10 million in to the program. This project falls under the auspices of the Crime Identification Technology Act (CITA) program funds.*

The positive identification of an individual through fingerprints to ascertain their background is quickly becoming a cornerstone to the criminal justice system. One key to a statewide integrated criminal justice system is the implementation of a single digit fingerprint technology for positive identification and records retrieval. The ISP, IL Dept. of Corrections, Cook County, the Chicago Police Dept., and all others that are interested should work together to plan and implement single digit technology as a streamlined means of positive identification. This technology would provide:

Rapid tracking of individuals through the criminal justice system

Fingerprint based on posting of dispositions to the Criminal History System

Positive identification in law enforcement field operations

Use of single print technology by federally licensed firearms dealers (FFLs) at point of sale.

A statewide single fingerprint initiative in IL would provide a comprehensive solution with the attendant economies of scale to any agency wishing to partner with those above, leveraged off of the current existing ISP AFIS (Automated Fingerprint Identification System) system currently populated with well over three million records.

• **VIOLENCE AGAINST WOMEN ACT**

**Request:** *Funding for this program should be provided at newly authorized levels.*

Additionally, flexibility should be provided between the three required areas of funding (law enforcement, prosecution, not-for-profit service providers, and other), that would allow for moving unexpended funds in one area to another where there would be justifiable need. With the new authorized Violence Against Women Act five percent comes off the top of the national appropriation for each state's domestic violence and sexual assault coalitions, and the base amount to each state went from \$500,000 to \$600,000. These new mandates will reduce Illinois' FY01 share by at least five to seven percent from the FY00 share of \$5.1 million, which was less than the FY99 share of \$5.4 million. Although the national amounts have remain level (\$283 million in FY99 and \$288 million for FY01), mandates have reduced the amounts going to the states.

Congress passed the Violence Against Women Act (VAWA) in 1994. Among the provisions of the act is a section authorizing grants to states for programs that would improve the response of the criminal justice system to victims of sexual assault and domestic violence. The act specifies that states must allocate a minimum of 25 percent of the funds they receive in each of three categories: law enforcement, prosecution and victim services. The remaining funds may be spent in one or more of these areas or for other purposes.

Illinois received approximately \$5.1 million in FY00. Limitations regarding expending at least 25% of the funds in each of the three areas unnecessarily limit the state's ability to respond to particular problems and shift funds from one program area to another. Illinois is likely going to receive less in FY01 because the formula is based on population, and Illinois did not grow at the same rate as other states.



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- **COMPUTER CRIMES INVESTIGATION UNIT**

**Request:** *\$150,000 is requested to support continuation of the Internet Crimes Against Children (ICAC) initiative. The Office of Juvenile Justice and Delinquency Prevention (OJJDP) within the Department of Justice administers this grant.*

The continuation of federal funds will enable the Illinois State Police to continue this much needed effort to educate and protect the children of our state. Without continued federal assistance, we would be unable to educate law enforcement, teachers, parents and children on Internet safety. In addition, our investigators would not have the necessary training and equipment to actively seek those offenders who threaten the safety and well-being of Illinois youth.

The Illinois State Police received its second ICAC grant from OJJDP on July 1, 2000. Using these funds, we have been able to further develop the Computer Crimes Investigation Unit within the Division of Operations, Operational Services Command, Strategic Investigations Group. We have three investigators dedicated to detecting and investigating on-line solicitation/stalking of our juvenile citizens. We also have four computer evidence recovery specialists dedicated to the forensic recovery of digital evidence from computers used by suspects. In support of reducing victimization of our children through on-line solicitation and stalking, we have established two statewide committees. These committees are in the process of identifying and preparing training and educational materials for deployment to law enforcement, schools and parents. The educational materials will focus on awareness/prevention, detection and prosecution of child exploitation, and child pornography committed through the use of computers and the Internet. The CCIU is currently developing training modules to be rolled out to Illinois State Police field investigators. These modules will be offered to investigators in MEG units and task forces as well. Also with this funding, the Illinois State Police has been able to upgrade current equipment and purchase new equipment for new personnel. Master Sergeant Al Manint, 217/785-0631, is our Internet Crimes Against Children Program Coordinator.

- **GLOBAL POSITIONING SYSTEM**

**Request:** *The Illinois Department of Corrections is seeking \$1 million to implement a global positioning system.*

In Fall 1999, IDOC implemented a pilot project on the utilization of the Global Positioning System (GPS) to enhance monitoring and supervision of 10 offenders in the community. GPS technology determines the precise location of an offender while he/she is residing in the community. With this funding, IDOC staff can closely analyze and monitor offender movement 24 hours a day of over 200 inmates. Global Positioning System (GPS) technology determines the precise location of an offender while he/she is residing in the community.

Components of the system are: 1) Transmitter (bracelet). A tamper resistant ankle bracelet is attached to the offender that transmits signals to a portable tracking receiver unit, which has a GPS receiver as well as other capabilities. 2) Portable Tracking Unit. The tracking unit has a computer that can be programmed with the offender's schedule and any off-limit areas. The unit will notify the offender immediately of violations related to residence, tampering, or equipment status 24 hours a day. 3) Control Center. IDOC has established an operations center that serves as a centralized repository of information. All data received from a portable-tracking unit is archived and available on a real-time basis. Operations center or parole staff can create or modify an offender's schedule at any time. In addition to home curfew, the offender's schedule for the entire 24-hour day can be created, monitored, and enforced. Staff may query to obtain the precise location of the offender through GPS, obtain a current photo, or review historical information on the offender.

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- **POST-PRISON SUPERVISION**

**Request:** *The Illinois Department of Corrections is requesting grant funding in the amount of \$2 million to establish a pilot program to prepare offenders for release.*

The proposed program will prepare offenders for their eventual return to the community. Targeted participants are offenders within 18 months of their release. Program curriculum will focus on four primary areas: Personal Growth and Self-Management, Social Skill Development, Community Adjustment, and Basic Life Skills. A comprehensive curriculum will be designed as an 18-month program. An abbreviated and more intense version will be implemented for those offenders whose length of stay is projected to be less than 18 months.

Offenders enter the Illinois Department of Corrections (IDOC) with a myriad of dependencies and deficiencies. Many inmates exhibit deficits in a variety of life skills areas such as education, employment, and vocational training. Many were welfare recipients and unemployed or under-employed prior to incarceration. Typically, they also have multiple problems including substance abuse, mental illness, and low self-esteem. Gangs, negative peer relationships, crime, and drugs often fill the void in their lives. In order to maximize the successful return to family, community, or the workplace, offenders who are released from Illinois' prisons must master basic life skills. The practical application of these daily living skills provides a firm foundation for the transition back into the community.

- **ADULT TRANSITION CENTERS**

**Request:** *Provide \$10 million in funding to established Adult Transition Centers within the Illinois Department of Corrections.*

Plans are underway to convert Adult Community Correctional Centers (work release centers) to Adult Transition Centers (ATC). The ATC is a community-based structured environment that prepares offenders for eventual release. The unique component of the ATC is that programs and services will be provided to ensure the continuity of care that was initiated within the adult prison system.

The length of stay within an ATC will be up to 180 days. During that time, offenders will be required to participate in a myriad of programs and services that will prepare the offender for re-entry into the community. Proposed programs and services include: Adult Basic Education (ABE), General Education Development (GED), Basic Life Skills, Community Service, Case Management, Family Visits, Supervised Community Release, Work Assignments, Substance Abuse Education or Treatment. Offenders transferred to an ATC must meet specific eligibility requirements. Facility and parole staff will work in tandem to develop and implement an individualized plan that meets the needs and interests of the offender.

- **LEGAL SERVICES TO POPULATIONS WITH SPECIAL NEEDS**

**Request:** *\$420,000 in federal funding for legal services to populations with special needs at Loyola University Chicago.*

This funding is requested to support three programs which provide legal services to underserved populations: 1) Loyola's Elderlaw Clinic, which provides comprehensive legal services to this rapidly expanding population; 2) a new initiative modeled after the Peace Corps to support the practice of public interest and pro bono law; and 3) a new program to provide legal services and related support to grandparents who find themselves primary caregivers for their grandchildren.

Affordable, quality legal services are beyond the means of a majority of lower and middle-income Americans, especially the elderly. Over 80% of the legal needs of the poor are not met. As law firms begin to reduce their support of pro bono practice, this percentage will grow. Funding of these programs will not only provide Loyola's School of Law with the means to provide free legal services to critically underserved populations, funds will also support the development of a sourcebook on "Legal Problems of the Elderly," research into legislation to support grandparental care, and a new model for providing pro bono services.

## DEFENSE/NATIONAL SECURITY

- **ROCK ISLAND ARSENAL**

**Request:** *Provide \$25 million in Underutilized Plant Capacity and \$11 million in Unutilized Plant Capacity funding for the Rock Island Arsenal.*

The Unutilized Plant Capacity and the Underutilized Plant Capacity funding subsidizes armory overhead costs that are not met due to a shortage of workload. Over the years, projects that would traditionally be constructed at the Arsenal have been steered to private sources. The Arsenal's manufacturing capacity greatly exceeds the current demand. The cost of that unused capacity is reflected in overhead charges to current production.

- **DUPAGE RESEARCH PARK/TTEC**

**Request:** *\$3 million from NASA, \$4 million from Department of Defense, \$2 million from the Small Business Administration.*

This funding is to be utilized for commercialization assistance centers at the DuPage Research Park. The NASA and the Department of Defense will work with Illinois entrepreneurs to commercialize these federal technologies and grow businesses in Illinois. The Small Business Administration will assist Illinois companies and institutions in increasing the number of federal grants received.

The NASA Illinois Commercialization Center is open at the DuPage Airport Flight Center. Both the Department of Defense center and the Small Business Administration center are in the final stages of being set up and staffed. A continued stream of funding will ensure the continuation of these important centers and will anchor the DuPage Research Park.

- **NATIONAL RADAR SIGNATURE PRODUCTION AND RESEARCH CAPABILITY**

**Request:** *Continued funding of \$10.5 million to ensure that the National Radar Signature Production and Research Capability, which will maintain the National Center for Excellence at the University of Illinois-Urbana-Champaign.*

Development and deployment of a reliable and accurate Combat ID capability for U.S. warfighters is critical to the success of current and future military operations. Combat ID is an enabling capability that permits the warfighter to locate and identify critical targets with high precision, reduces U.S. losses to friendly fire, permits the use of long range weapons, enhances battlefield situation awareness, and reduces exposure of pilots to enemy fire.

In FY01 \$10.5 million was provided to the Radar Target Modeling Thrust of the Air Force's Advance Aerospace Sensors program to accelerate the transition and productization of the critical technologies necessary to support new Combat ID systems that are becoming available to the warfighter.

As advocated by the University of Illinois and SAIC Corporation, continuation of funding at the \$10.5 million level is critical to the success of the program. The overall benefits of the FY01 funding and continued funding to the Department of the Air Force and the State of Illinois for the National Operational Signature Production and Research Capability include: 1) Assurance that the University of Illinois-Urbana-Champaign will maintain their National Center for Excellence for computational electromagnetics

modeling research and development; and 2) Preservation of the 86 jobs in Champaign-Urbana that are currently supporting basic research, development, and technology transition to the warfighter.

This program directly addresses one of the major new Department of Defense challenges. That challenge is the positive identification of enemy versus friendly forces on the battlefield. By continuing the funding for this effort, the Department of Defense will maintain the world class capability for Computational Electromagnetics research center at the University of Illinois-Urbana-Champaign.

• **PLANNED RESEARCH FACILITY—LOYOLA UNIVERSITY HEALTH SYSTEMS**

**Request:** *\$10 million for a new research building.*

This freestanding state-of-the-art research building will be the primary site for the Neuroscience and Aging Institute, Loyola's Expanding Molecular Medicine Research Program, and the redeployment of scientists in areas such as cancer and cardiovascular research currently working in either fully subscribed or inadequate laboratory space.

A significant portion of existing 105,000 sq. feet of research space is currently housed in facilities, which are over 30 years old and badly in need of major and continued renovation. The remaining research facilities support cancer and cardiovascular research initiatives. These facilities, while housed in modern laboratory space, are at maximum capacity, allowing for no additional growth in these two crucial areas of investigation.

The Planned Research Facility will not only house research, but it will also benefit the community as a whole by adding approximately 400 new jobs to the area. The jobs created would be in the form of technical and support personnel needed to run the facility.

## ENERGY AND WATER

### ENERGY

- **FERMI NATIONAL ACCELERATOR LABORATORY**

**Request:** *\$319 million in federal funding—an increase of \$42 million over current funding levels.*

The future of Fermi is of great importance to Illinois and to the future of high-energy physics in the United States. With the recent decision of Europe's top particle physics lab, the European Laboratory for Particle Physics, to shut down its efforts to find the Higgs boson (believed responsible for all mass in the universe), Fermi now stands alone as the single particle physics facility in the world. Finding the particle is almost certain to bring the Nobel Prize in physics.

With the Large Hadron Collider coming online at CERN in approximately seven years, Fermi's future is uncertain. In order for Fermi to continue to make incremental improvement to the Tevatron and solidify the United State's position in the world, this budget increase is vital.

- **ARGONNE NATIONAL LABORATORY CLEANUP FUNDING**

**Request:** *The State of Illinois supports efforts that will ensure the cleanup of laboratory sites at the Argonne National Laboratory (ANL), specifically ensuring funding for the Department of Energy's Environmental Management office.*

Maintaining adequate funding levels for DOE's environmental management activities is essential to ANL's goal of completing cleanup of the site by the end of FY03. The most critical of the funding issues is, and has been, funding ANL activities to characterize TRU wastes so they can be shipped to WIPP. ANL is making progress in resolving these issues, but continued adequate funding is essential.

- **ARGONNE ELECTROMETALLURGICAL TECHNOLOGY (EMT) PROGRAM**

**Request:** *Illinois supports Argonne National Laboratory's funding request for this program.*

Argonne is currently conducting research on electrometallurgical treatment technology that has the potential to treat up to 90 percent of the Department of Energy's spent nuclear fuel. Funding the nuclear technology program and the EMT program, in particular, is crucial not only for Illinois, but also for the nation. Technological breakthroughs in treating spent nuclear fuel could save billions of dollars and protect the environment.

- **WEATHERIZATION ASSISTANCE PROGRAM (WAP)**

**Request:** *Support an increase funding for the program back to the 1995 level of \$207.4 million. The FY01 level of funding is \$150.7 million.*

This program is administered by the Department of Energy, Office of State and Community Programs, and is an ongoing categorical grant program. The amount Illinois receives has increased slightly over the past two years due to the increases in Congressional appropriations. However, the increase has not yet

reached the funding levels that existed prior to the 1996 reduction. The WAP was authorized three years ago for five years, and Illinois supports a significant increase in the appropriation for FY02.

• **GREENHOUSE GAS ABATEMENT PROCESSES AND MATERIALS INITIATIVE**

**Request:** *\$5 million in federal funding for Southern Illinois University-Carbondale's Greenhouse Gas Abatement Processes and Materials Initiative.*

SIUC is working on new energy conversion materials that can convert carbon dioxide into methanol. At present, these materials have been proven valid at the laboratory scale. It is important that these energy conversion materials be given thorough studies at the bench scale and set for pilot demonstration. The proof of concept of these materials will not only reduce the emission of unwanted gases but also will produce clean, useful energy. A similar approach can also be undertaken to reduce hazardous gas emissions and the conversion of heavy metals through the molecular design of materials. Proof of concept testing of these new classes of materials will also enhance the clean operation of existing coal-fired power plants.

The world's energy needs are largely met through the combustion of fossil fuels. In the US, coal alone provides over half of our electric energy. While fossil fuel's role in global climate change is unclear, it's enormous presence in world energy means that research and development on lower emission fossil fuel practices can have far reaching positive environmental results. A practical system that converts carbon dioxide into methanol would allow greater energy use without increased carbon dioxide release. An intelligent system that captures the hazardous elements would enhance the safety of any engineering system.

• **NRC FUNDING FOR PREVIOUSLY LICENSED SITES PROGRAM**

**Request:** *Request appropriations bill language to allow compensation of states for work that was necessary to resolve license termination issues at sites formerly licensed by NRC. In the case of Illinois this was \$48,650.*

The FY01 NRC appropriation allowed for \$1.65 million in FY01 and another \$1.65 million in FY02 to compensate states for work related to this issue. Unfortunately, NRC did not initially consider funding states that have already completed the work (i.e., Illinois). NRC later changed its position in this regard and requested such funding. However, when the appropriation for was approved, specific provisions for retroactive funding for Illinois' efforts were not included.

Illinois gained its authority over regulation of possession and use of radioactive materials in 1987. Prior to this NRC was the regulatory authority for these matters. In 1995 NRC undertook a national review of over 31,000 previously terminated radioactive material licenses. Over 600 licenses were identified for which there was insufficient documentation to conclude that the license was terminated in accordance with current decommissioning criteria.

We immediately took responsibility for reviewing the files of the 55 Illinois sites that NRC identified. Between 1996 and 1998, the Illinois Department of Nuclear Safety expended \$48,650 in resources verifying the close-out conditions at the Illinois sites previously licensed by NRC. At one site, we needed to ensure that a cleanup was properly completed.

• **PIPELINE SAFETY PROGRAM**

**Request:** *Support for full 50% funding levels as authorized by the Federal Pipeline Safety Act (49 USCA Sec. 60107). Fifty percent funding for Illinois Pipeline Safety Program for calendar year 2001 is estimated to be \$338,000.*

49 USCA Sec. 60107 allows for each state participating in the Federal Pipeline Safety Program to receive up to 50% reimbursement for the cost to administer the program. Historically, the State of Illinois has

been receiving approximately 42% of the total cost of the program because insufficient funds have been appropriated.

Congress, in 1968, passed the “Natural Gas Pipeline Safety Act of 1968,” which authorized the Secretary of Transportation to prescribe safety standards for the transportation of natural and other gases by pipeline. The Pipeline Safety Law was structured to allow each state to serve as an agent for the Secretary of Transportation in the monitoring and enforcement of these safety standards (Federal/State partnership).



## ARMY CORPS OF ENGINEERS

### • ILLINOIS RIVER BASIN RESTORATION PROGRAM (ILLINOIS RIVERS 2020)

**Request:** *IDNR requests a federal appropriation of \$50 million through the Army Corps of Engineers.*

(Seek additional grants through the Clean Water Act appropriations and full funding for Farm Bill programs with the opportunity to earmark additional dollars for assisting the implementation of Illinois Rivers 2020.)

This multi-level, multi-billion dollar State plan for the restoration of the Illinois River Basin has full support of the Ryan Administration, Congressional Delegation, and both Senators. It is a voluntary, incentive-based program that will develop new technologies and innovative approaches to transportation, water quality, economic development and land and habitat conservation issues. Funding will provide for the development of new sediment removal, transport, characterization, and beneficial use of technology along with other action for the restoration of Illinois River hydrology and water quality.

The initiative received a 3-year, \$100 million authorization in the Water Resources Development Act 2000 (WRDA). However, no appropriation authorized by WRDA was received for FY01. In addition, the Initiative received a \$1 million grant to IEPA through the Clean Water Act (CWA) to assist in the implementation of Illinois Rivers 2020. No State match is required for the CWA grant.

### • CHICAGOLAND UNDERFLOW PLAN (MCCOOK AND THORNTON RESERVOIRS)

**Request:** *Illinois supports an appropriation of \$32 million for the Army Corps of Engineers in FY02 for the McCook and Thornton Reservoirs. These funds will allow construction to continue on these reservoirs.*

The completion of these projects, with their direct improvements in flood protection and water pollution control, will have a significant impact on reducing the amount of Lake

Michigan diversion water required for dilution purposes. This reduction in dilution water will greatly improve Illinois ability to provide for the future water supply needs of the northeastern Illinois area. These projects must not be delayed. Their design and construction should be accelerated. The Corps must budget for the design and construction of these reservoirs to reflect their full staff capability. The 1988 Water Resources Development Act authorized the Corps to proceed with construction of the McCook and Thornton reservoirs as components of the Chicagoland Underflow Plan. The McCook Reservoir will reduce flooding and significantly improve water quality in the mainstream and Des Plaines systems. The Thornton Reservoir will reduce flooding and improve water quality in the Calumet system.

### • CHICAGO SHORELINE EROSION PROJECT

**Request:** *Illinois supports an appropriation of \$26 million for the Corps of Engineers to continue with the reconstruction of the Chicago Shoreline Project.*

This project will protect against storm damage along the Lake Michigan Shoreline within the City of Chicago. The existing shore protection, built in early 1900's is no longer structurally functioning. For more than a decade the City of Chicago, Chicago Park District, and the State of Illinois worked diligently with the US Army Corps of Engineers for the completion of the study and securing funding to help protect Illinois' Lake Michigan Shoreline. Our effort resulted in a 1996 congressional authorization of the project in Water Resources Development Act of 1996 (PL 104-303). The authorized project provides some \$170 million in federal funding for assisting with rebuilding eight miles of shoreline and one off-shore breakwater. The total cost estimate for the authorized project is \$305 million. The eight miles approved

for reconstruction are located along Chicago's portion of the Illinois shoreline in the areas most prone to flood and storm damage. In 1997 the first federal appropriation of \$10 million was made to reconstruct the offshore breakwater which protects the Chicago Water Filtration Plant. Additional funding of \$39.75 million has been budgeted for fiscal years 1999-2001. There is a need for a continual annual appropriations of approximately \$25 million of construction general funds to allow the Corps to continue with this crucial erosion control project through FY05.

• **CORPS OF ENGINEERS' FUNDING FOR LAKE MICHIGAN DIVERSION ACCOUNTING**

**Request:** *Illinois supports full funding of the Corps new authorized spending limit for diversion accounting at \$1.25 million annually through FY03 to ensure that they have adequate appropriations for performing their dual diversion accounting responsibilities.*

Section 508 of Water Resources Development Act of 1999 has increased the Corps' authorized appropriation to carry out the dual accounting of measurements of Lake Michigan Diversions from \$250,000 to \$1.25 million for each fiscal year 1999 through 2003. It is of paramount importance that the Corps' budget include an additional \$1 million for each of the next two fiscal years to fulfill the Corps' dual diversion accounting responsibilities. Section 1142 of Water Resources Development Act of 1986 made the Corps responsible for the measurement and accounting of Lake Michigan diversion to assess Illinois' compliance with the decrees of the U.S. Supreme Court.

The Great Lakes Memorandum of Understanding (MOU) of July 1996, among the states and the United States, specified that a new lakefront measurement and accounting system to be tested concurrently with operation of the existing accounting system. The new system was to be started in water year 1997, operated for three years and, if judged superior by the states, the Department of Justice and the Corps, be recommended to the U.S. Supreme Court in the form of a decree modification. Dual accounting was to begin with the 1997 water year, but the Corps did not request the necessary funds until FY00. Consequently the 3-year dual accounting period has been extended to five years, although the Department of Justice, the U.S. Geological Survey, and the State of Illinois have funded portions of the new system.

• **CARLYLE LAKE CONVEYANCE ANALYSIS**

**Request:** *Illinois supports an appropriation of \$475,000 for the Corps of Engineers to conduct a conveyance analysis of the Kaskaskia River from Vandalia, Illinois to Carlyle Lake, and the surrounding vicinity.*

The State of Illinois is concerned about the surface drainage flow levels, channel depths, and sedimentation trends and their effects on the Kaskaskia River from Vandalia, Illinois to Carlyle Lake. Although the State is interested in environmental restoration and enhancement opportunities in the same reach of river. Therefore, the State is requesting that \$475,000 be provided to the Corps of Engineers for conveyance analyses which will include the detailed mapping necessary to conduct the hydrologic studies needed to establish flow frequencies and profiles for the 2 to 10 year flood events.

• **EAST ST. LOUIS AND VICINITY INTERIOR FLOOD CONTROL AND ECOSYSTEM RESTORATION STUDY**

**Request:** *Illinois supports an appropriation of \$600,000 for the Corps of Engineers to initiate the Pre-Engineering and Design of East St. Louis and Vicinity Flood Control Project.*

The Corps of Engineers, St. Louis District, will complete a re-evaluation study of East St. Louis and Vicinity in Madison, and St. Clair counties in FY01. The project is focusing on the continued problem of flooding within the American Bottoms. Water Resources development Act of 2000 modified Section 204 of the Flood Control Act of 27 October 1965 (Public Law 89-298), to make ecosystem restoration a project purpose, and ecosystem restoration will be included with the flood control. Flood control reservoirs with sediment storage and wetland restoration both in the bluffs and at the base of the bluffs are the

primary focus of this effort. FEMA has responded to numerous repetitive floods in East St. Louis and vicinity by investing in remedial measures, including sediment removal and buyouts. The Natural Resource Conservation Service (NRCS) has also invested funds through the Emergency Watershed Protection Program to provide remedial measures. Without adequate control of the sediment being delivered to these channels, the FEMA and NRCS funded remedial efforts will quickly lose their effectiveness. The current capacity of the channels contains the 10-year frequency event. The reservoirs will be designed to store the discharge which now overtops the channels. Corps of Engineers need to continue funding the project until the completion. We request \$600,000 for FY02 to initiate the Pre-Engineering and Design of the project.

- **UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN**

**Request:** *Illinois supports an appropriation of \$2 million for the Corps of Engineers to initiate the plan authorized under Section 459 of the Water Resources Development Act of 1999.*

Section 459 of the Water Resources Development Act of 1999 authorized the preparation of an Upper Mississippi Comprehensive Plan. The authorization directs the Corps to develop a plan to address water resource and related land resource problems and opportunities in the upper Mississippi and Illinois River Basins. We request \$2 million for FY02 to initiate the development of the Upper Mississippi River Comprehensive Plan, with a priority given to developing scientific recommendations for a comprehensive flood control and water resource project for the Upper Mississippi River.

- **EAST CAPE GIRARDEAU & CLEAR CREEK DRAINAGE AND LEVEE DISTRICT**

**Request:** *Illinois supports an appropriation of \$100,000 for the Corps of Engineers to restart the East Cape Girardeau and Clear Creek Flood Control Project.*

The Flood Control Act of June 1936 authorized the raising and enlargement of 10.9 miles of levee, construction of gravity drains, closure structures, and seepage control measures in the East Cape Girardeau and Clear Creek Drainage & Levee District. The project was completed except for seepage control measures. The Flood Control Act of 1946 authorized a detail survey to determine plans of improvement for alleviation of the existing interior drainage problem within the drainage district, consistent with economic justification and local cooperation. However, funds for the survey were not made available until November of 1970. Utilizing these funds, The St. Louis District Corps completed a survey report entitled "Survey Report for Flood Control and Allied Purposes, Big Five Flood Control Study, Union and Alexander Counties" in May 1981. Although three plans were incrementally justified, local sponsors indicated during final review that they were unable to contribute their share of costs. Thus, no action recommendation was made. Recently, Clear Creek Drainage and Levee District along with Preston and Miller Pond Drainage and Levee Districts have requested the St. Louis District Corps to reevaluate the modifications for the interior flooding problem and recommend rehabilitation for the deteriorating hardware of the existing levee. A House Resolution that was adopted in May of 1997 at the request of Congressman Costello could be cited as the authorization vehicle for the Office of Chief of Engineers to restart the project. However, funds have to be made available for the Corps to initiate the process. The best approach would be for the Congress to appropriate the \$100,000 in the Corps' appropriation bill.

- **U.S. GEOLOGICAL SURVEY COOPERATIVE STREAM GAUGING PROGRAM**

**Request:** *Illinois supports an additional \$7.5 million above and beyond the National Streamflow Information Program of the USGS Cooperative Stream Gauging Program to assure preservation of water resources data.*

The Regulation of Rivers, Lakes and Streams Act of June 10, 1911 (615 ILCS 5) directs the Office of Water Resources to secure all possible data with reference to all waters of the State and to maintain stream gages. In compliance with this authority, for over fifty years, the Office of Water Resources (OWR) has

maintained a cooperative gauging and studies program with the U.S. Department of the Interior, Geological Survey Division (USGS). The USGS costs for gauging station operation in Illinois experienced an 8 percent increase in gauge network costs in FY99, some of which was saved through cost cutting measures. Cost cutting measures that were implemented have reduced the amount of data being collected for assessment of water resources in Illinois. The reductions in ability to assess changes to Illinois water resources will continue if reductions in the USGS stream gauging cooperative program continue.

- **U.S. ARMY CORPS OF ENGINEERS OPERATIONS AND MAINTENANCE BUDGET FOR STREAM GAUGING**

**Request:** *Illinois supports an increase \$1 million in the Corps of Engineers Operations and Maintenance Budget for Stream Gauging to accommodate increases in stream gauging costs for purposes of supporting the USGS Cooperative Stream Gauging Program.*

The Regulation of Rivers, Lakes and Streams Act of June 10, 1911 (615 ILCS 5) directs the Office of Water Resources to secure all possible data with reference to all waters of the State and to maintain stream gauges. In compliance with this authority, for over fifty years the Office of Water Resources (OWR) has maintained a Cooperative Gauging and Studies Program with the U.S. Department of the Interior, Geological Survey Division (USGS). A significant partner in this cooperative stream gauging program has been the U.S. Army, Corps of Engineers. Non-federal cooperators participate at a 50/50 cost sharing basis, while federal partners pay 100 percent of the gauging costs. Cost cutting measures by the U.S. Army, Corps of Engineers (COE) has been implemented with a strategy to reduce Operations and Maintenance Budgets at the request of Congress. These reductions in Operations and Maintenance Budgets have resulted in reductions in stream gauging cooperative funds and reduced data being collected for assessment of water resources in Illinois.

- **U.S. ARMY CORPS OF ENGINEERS OPERATIONS AND MAINTENANCE PROGRAM**

**Request:** *Illinois supports an increase in the Corps of Engineers budget to reduce the backlog of operations and maintenance program funding. Such backlog of maintenance items for Mississippi River in Rock Island and St. Louis Corps Districts is an additional \$21 million.*

The Corps has established a Task Force to review efficiencies and performance measures for its operations and maintenance activities and is evaluating a prioritization process to assess the benefits of related Corps operations and maintenance expenditures. The State of Illinois realizes that this issue is a cost savings initiative that is being driven by budget considerations. There are concerns, however, that significant reduction in operations and maintenance can severely impact the future viability and commitment to maintain the inland waterway system, water supply, and recreational reservoirs, and harbor maintenance. Serious consideration should be given before undertaking new initiatives that require high future operation and maintenance at the federal level so as not to neglect current needs and the backlog of major replacement and rehabilitation projects.

- **NEW SOO LOCK**

**Request:** *Illinois supports additional funding in the amount of \$1 million for the Corps of Engineers to continue with the current pre-engineering and design activity for the new Soo Lock.*

A new large lock is needed at Sault Ste. Marie, Michigan to replace the two old, obsolete locks. The proposed lock, which is essential for the efficient movement of navigation traffic, requires a large, non-federal cost share. Currently, preconstruction engineering and design (PE&D) work is underway for the proposed lock. The Water Resources Development Act of 1999 has made this project financially more suitable for the Great Lake States by reducing the non-federal cost share amount and extending the non-federal pay-back period. The Great Lakes Commission and the Great Lake States are now working to secure the

non-federal cost of the new lock. Additional Corps' funding is needed to continue with the current PE & D.

• **ST. LOUIS HARBOR**

**Request:** *The State of Illinois requests additional funding of \$350,000 for pre-engineering and design of St. Louis harbor, on the Chain of Rocks Canal in Illinois, to help alleviate a critical shortage of river front sites suitable for barge operations in the bi-state St. Louis metropolitan port.*

The harbor improvements would resolve the inefficiencies in present fleeting operation, availability of fleeting spaces for dock delivery in the central and northern portions of the Tri-City Harbor, and decrease congestion which would result in favorable impacts on traffic and safety. Also, the proposed project would provide a structural solution to the severe sedimentation problem in the project area, at St. Louis Municipal Dock on the Missouri bank, and improvements along the east bank of the Chain of Rocks Canal north of the Tri-City Regional Port District harbor in Illinois. The St. Louis Harbor project was authorized by the Water Resources Development Act of 1986 (PL 99-662). The act requires that a non-Federal sponsor provide 10% of the cost of construction, in addition to the cost of lands, easements, right-of-way, relocations, and disposal areas. Also, the non-Federal sponsor must pay an additional 10% of the cost of the general features of the project in cash over a period not to exceed 30 years, however the value of lands, easements, right-of-way, relocations, and dredge material disposal areas are credited against this requirement. Tri-City Regional Port District intends to be the local, non-federal sponsor. Recent federal legislation transferred almost the entire 752-acre Charles Melvin Price Support Center to the Tri-City Regional Port District. The addition of the federal land expands the 500-acre port district to 1,250 acres. Congress approved the St. Louis Harbor project several years ago; however, the U.S. Army Corps of Engineers has yet to finish the general investigation study for the project and start construction.

• **FEASIBILITY STUDY AT SPUNKY BOTTOMS**

**Request:** *\$190,000 for the Corps of Engineers to complete the feasibility study at Spunky Bottoms Preserve in Brown County.*

The first round of funding for Continuing Authority Programs in the St. Louis District of the Corps was cut and now there is no funding to complete the feasibility study at Spunky. To complete the planning and begin implementation, the St. Louis District will need \$190,000 for this ecosystem restoration project.

In 1998, the Conservancy bought 1157 acres in Brown County that lies behind a Corps authorized levee. The Conservancy is working with the Corps of Engineers on an 1135 project to restore the land to prairie, wetlands and backwaters areas. This is one of the few times the Corp's has partnered with an NGO (non-governmental organization) for an environmental project, and it is the first time for the St. Louis district.

• **UPGRADING LOCKS AND DAMS ON THE UPPER MISSISSIPPI RIVER**

**Request:** *\$3 million dollars for funding the continued design and engineering work for upgrading the locks on the upper Mississippi River up to Keokuk and on the Illinois River to Peoria. In addition, \$2 million is need to launch a study related to flood control, bank caving and erosion, sedimentation, habitat needs assessment and recreation that is specified under WRDA (Water Resources Development Act of 1999).*

Sec. 517 of WRDA directs the Corps of Engineers to "expedite completion of the reports for the locks and dams mentioned above. Sec. 459 of WRDA specifies and authorizes the study related to flood control, bank caving and erosion, etc. also mentioned above.

The Water Resources Development Act of 1999, Sec. 517 directs the Corps of Engineers to expedite completion of the reports for the following projects and, if justified, proceed directly to project per-

construction, engineering, and design of a number of projects, including the extension of locks 20,21,22, 24 and 25 on the upper Mississippi river and the La Grange and Peoria locks on the Illinois river. The Corps were further directed to provide lock chambers 110 feet in width and 1,200 feet in length.

WRDA, in Sec. 459, also specifies and authorizes a study related to flood control, bank caving and erosion, sedimentation, habitat needs assessment and recreation. Once developed the Comprehensive Plan will have an integrated management approach for the upper Mississippi and its major tributaries. It should take into account the various needs of the river and minimize their negative impacts upon each other, while maximizing natural and economic resources.



## INTERIOR

### • **ABANDONED MINED LANDS RECLAMATION DIVISION FUNDING**

**Request:** *Increase the annual allocation to Illinois from the federal Abandoned Mined Lands Trust Fund by \$500,000 to \$1,000,000.*

In view of the current surplus in the federal trust fund, the AML division is interested in increasing its annual allotment to more fully address the number of hazards and environmental problems left at abandoned coal mine sites in Illinois. Although national organizations and several states that receive trust fund monies have pushed for increased annual allocations, the feds have yet to respond. In 2000, Illinois received a total of \$10 million from the federal AML trust fund.

The AML program, which has allowed for the reclamation of over 8,000 acres of abandoned mined lands in Illinois, is 100% federally funded through quarterly fee payments from our nation's coal operators. The federal Office of Surface Mining provides formula-driven grants to states from federal appropriations. However, appropriations have lagged far behind fees collected, and thus the national Abandoned Mine Reclamation Trust Fund now approaches \$1.4 billion.

Changing the allocation formula could be considered, but certain states (e.g. Illinois, West Virginia, Kentucky, and Pennsylvania) have more critical needs than others. Thus a specific FY02 appropriation for Illinois over and above the formula funding would be most helpful.

### • **LAND CONSERVATION, PRESERVATION, AND INFRASTRUCTURE IMPROVEMENT PROGRAM (LCPII)**

**Request:** *Full funding of second-year appropriations for the LCPII, authorized as a six-year program in November, 2000. A total of \$1.76 million is designated for FY02, an increase of \$1.6 million over the first-year funding. The money supports 19 programs grouped into six categories. Much of the program money will be awarded by competitive grants.*

The LCPII funds many of the priorities in the Conservation and Reinvestment Act (CARA), which despite massive support did not come to a vote in the Senate in 2000. As a substitute funding measure, LCPII was added to the FY01 Interior appropriations bill. Funding is authorized, but not guaranteed, through FY06. Funds are subject to the appropriation process. Categories include federal and state Land and Water Conservation Fund programs, state wildlife and other conservation programs, urban and historic preservation programs, funding for maintenance, funding for PILT, and coastal programs.

Reps. Young and Dingell have reintroduced the CARA bill with the same number as in the 106<sup>th</sup> Congress, HR 701. Compared with LCPII, CARA provides more money, allows more program decisions to be made at the state level rather than by federal administrators, and provides assurance that funds will be allocated annually, thereby enabling states to make and carry out long-term plans.

While our highest priority would be passage of HR 701 in the 107th Congress, we must also place a very high priority on securing full funding of the appropriation levels authorized for LCPII should HR 701 not become law.



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• **WILDLIFE CONSERVATION AND RESTORATION PLANNING**

**Request:** *Obtain increased and permanent funding for Wildlife Conservation and Restoration Planning, moving up from the FY01 one-year appropriation of \$50 million to a guaranteed multi-year annual appropriation of \$350 million as proposed in the Conservation and Reinvestment Act (CARA, HR 701).*

The nation's state natural resource agencies through the International Association of Fish and Wildlife Agencies identified a billion-dollar annual shortfall in funds necessary to conserve all species of wildlife, prevent species from becoming endangered, provide wildlife-related recreation opportunities to meet existing and projected public demand, and educate Americans about the natural resource and economic value of our country's wildlife. Title III of CARA would have provided \$350 million annually, not subject to appropriation, from Outer Continental Shelf Oil Revenues to be distributed to the states on a formula basis to fund wildlife conservation. Illinois would have received \$13.4 million annually. Congress passed enabling language but appropriated just \$50 million (for allocation to 50 states) for one year only. Illinois will receive an estimated \$1.9 million.

• **PILOT REGIONAL NATURAL RESOURCES TRUSTEE PROGRAM**

**Request:** *Appropriate \$10 million to the Illinois Department of Natural Resources (IDNR) to work with the U.S. Department of Interior, National Oceanographic and Atmospheric Administration (NOAA), other federal Natural Resource Trustees, plus eight other states in the Great Lakes area to initiate a pilot regional Natural Resources Trustee Program. This pilot program, which IDNR initiated and would lead, would operate for 3 years. Funding for the program should be added to the Department of Interior's appropriation bill as new dollars for the US Fish and Wildlife Service.*

Illinois and the other states have Natural Resource Trustee responsibilities under provisions of CERCLA (Superfund), the Clean Water Act and the Oil Pollution Act. Under the three-year Pilot Program, IDNR would work with and fund other state Natural Resource Trustees to develop their state programs. The regional approach recognizes that many natural resource damages cases cross state lines and need to be addressed in a coordinated fashion. Although funds could flow directly from the federal government to each participating state, it will simplify and unify the program if the requested \$10 million is administered by Illinois in its leadership role.

Natural resources continue to be injured from oil spills, water contamination and hazardous substances. In Illinois alone there are over 70 cases being investigated with additional ones identified weekly. Hundreds of acres of wetlands, forests, prairies and other habitats are being lost each year due to inadequate program funding. No federal funding for state programs has been provided to date. Without base funding for this program, these injuries will not be fully rectified. For the past 2 years Illinois has been spending about \$300,000+ toward this effort. This is not adequate to handle the number of incidents.

The requested funding will allow the pilot states to develop base state programs, coordinate efforts with the federal government, establish a regional coordinating function, and share the procedures with all 50 states and tribal trustees. Eight states in US DoI Region III (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin) will be targeted to participate. Other states such as Pennsylvania, Kentucky and New York will be approached if funding allows. The overall goal will be to cooperate with other Trustees, industry, USEPA and state remedial agencies to minimize natural resource injuries and devote resources towards ecosystem restoration actions.

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- **CREATE A JOINT USDA-ILLINOIS DNR INVASIVE SPECIES PROGRAM**

**Request:** *Direct \$5 million per year through USDA-ARS to Illinois to create, on the campus of the University of Illinois, a unified, collaborative USDA-IDNR Invasive Species Laboratory and program on research, implementation and outreach against invasive species affecting Illinois.*

Invasive species cost Illinois citizens millions of dollars annually for control and loss of value of crop and natural lands. Current control efforts are not coordinated among State, local and federal partners. Creating a collaborative program to develop and implement solutions to invasive plant and animal species in agricultural, forest, waterway and natural areas will benefit all the State's citizens and businesses. Research and outreach efforts require surveying for new invasives, developing novel management strategies, preventing new invasions, and educating Illinois' citizens about invasive threats and the potential benefits from these solutions.

Invasive species affect every Congressional district in Illinois. Species affecting Illinois include kudzu, Chinese soybean aphid, Asian longhorned beetle, gypsy moth and zebra mussel. Illinois is fighting invasive species, but efforts to find solutions are limited by lack of funds for research and implementation. The Illinois Natural History Survey in Champaign has a research and outreach program addressing Illinois' invasives. USDA-ARS has an Invasive Weed Management Research Unit on the UI campus. Creating and funding a joint program on the UI campus reduces redundancy, builds on strengths of each program, and unifies efforts by USDA, IDNR, and IDA, making Illinois a leader in the fight against invasive species. Funding to assess new and current invasives, develop and implement novel long-term solutions, and produce high-quality materials for the public and schools throughout Illinois will benefit the entire State.

- **CENTRAL GREAT LAKES GEOLOGIC MAPPING COALITION**

**Request:** *Seek an appropriation of \$20 million for the Central Great Lakes Geologic Mapping Coalition in the Dept. of Interior, U.S. Geological Survey budget. Illinois would receive \$4 million from this appropriation. (Alternatively, appropriation of \$10 million dollars for a pilot mapping project. Illinois would receive \$2 million for the pilot mapping in an area of Lake County.) The program is presently funded at a level of \$500,000, which is split among 5 agencies mapping in four states.*

The Central Great Lakes Geologic Mapping Coalition was established by the states of Illinois, Indiana, Ohio, and Michigan, in partnership with the U.S. Geological Survey, to address the need for 3-dimensional geologic information in this region. This detailed information will be used by decision makers to address critical growth management issues. These include locating and protecting valuable groundwater and aggregate resources, understanding and mitigating geologic hazards (such as earthquakes, floods, and landslides), appropriately siting industrial and commercial enterprises, evaluating existing contamination areas, and locating new waste disposal facilities. Mapping is planned to commence in high-priority urban/suburban areas of Illinois and regions with known environmental problems. Although the Coalition States can contribute expertise, federal cooperation and funds are required to carry out and coordinate this work.

The Coalition, established in 1997, has developed a detailed program plan and budget, which is described in USGS Open-File Report 99-349 and USGS Circular 1190. Mapping forums have been held in two states to solicit input from units of local government, the private sector, the educational community, and state and federal agencies as to the types of problems they face and the information they require to carry out their mandates. Several hundred people attended each of the forums and were unanimous in their support for the 3D mapping program. There are no known opponents to this program.

• **ENVIRONMENTAL RESEARCH AND OUTREACH PROGRAMS AT THE UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *Illinois supports funding of the Illinois Water Resources Center at \$10 million, which would provide Illinois approximately \$130,000 for this program.*

The concept of this program is to build upon existing federal and state partnerships to help Illinois communities and agencies address issues of natural resource development and protection. In partnership with the U.S. Geological Survey, the Illinois Water Resources Center receives federal matching funds to conduct university-based research and outreach on water resources issues.

The State of Illinois and its cities are committed to sustainable economic development or redevelopment that does a better job of protecting natural resources. Through more adequate funding for research and outreach programs, the University will help Illinois citizens find and implement solutions to major natural resource and environmental issues.

By strengthening this partnership program, in conjunction with the Illinois-Indiana Sea Grant Program and the Midwest Technology Assistance Center, the proposed research and outreach will improve knowledge of Illinois' natural resources and their wise use in economic development.

• **NORTH AMERICAN WETLANDS CONSERVATION ACT FUNDING**

**Request:** *Maintain FY02 appropriations for projects under the North American Wetlands Conservation Act of 1989, as amended, at the FY01 level for grants of \$40 million. Estimated award for Illinois in FY01 is \$1 million.*

This program provides funding through the U.S. Fish and Wildlife Service (FWS) for wetland conservation projects throughout North America. The program fosters the development of partnerships between the FWS, state and local governments and private conservation organizations to protect migratory bird habitat and restore wetlands in a continental undertaking.

The NAWCA program received a significant funding boost in FY01 with an additional \$20 million being added through the Department of Interior's appropriation measure. Joint Venture partnerships (regional coalitions of state, federal and non-governmental organizations involved in wetlands protection) have long been advocating increased funding for NAWCA grants. The increase in FY01 is a significant gain for this program and should become a permanent base level of funding. NAWCA grants are competitive and require a minimum 50% match, but Illinois is in a favorable position to capture such funds, due to the availability of state matching dollars through existing programs such as the Duck Stamp Fund, C-2000 and several Illinois River initiatives.

To date, Illinois has received about \$4.3 million in NAWCA awards, with matching shares just over \$13 million. Partner contributions, often private, usually double or even triple the actual grant awards made through this program.

• **EXHIBITS FOR WETLANDS FOR EDUCATION CENTER**

**Request:** *\$2 million in construction budget for the U.S. Fish and Wildlife Service for the Cypress Creek National Wildlife Refuge to build exhibits for the state Wetland Education Center in Southern Illinois.*

This funding will allow the USFWS to build exhibits to emphasize the importance of the Cache River wetlands and the ongoing work being done by the joint venture partnership at the Cache—the State of Illinois, the USFWS, Ducks Unlimited, and The Nature Conservancy.

In 1998, the State of Illinois appropriated \$4 million to build an education center on the Cache River at the Cache State Natural Area. Other members of the joint venture partnership were invited to contribute

to the interpretive exhibits that will be an integral part of this center. The partners have been assisting with the design of the interpretive programs and exhibits and this funding will help bring world class exhibits to this Ramsar designated International Wetland of Importance site.

• **DREDGING DEVELOPMENT AND DEMONSTRATION FOR ECOLOGICAL AND WATER SUPPLY PURPOSES**

**Request:** *Appropriate \$2 million over two years to the Illinois Department of Natural Resources for dredging concepts development and demonstration for the restoration of ecological habitat, water supply reservoirs and recreational areas. Funds would pass through Dept. of Interior's, Fish & Wildlife Service, or Interior's US Geological Survey, Biological Resources Division. Alternative departments for funding are Dept. of Commerce, USEPA, or the Army Corps of Engineers.*

This project will focus on the development, testing and demonstration of innovative or new techniques for dredging, transporting, using, and placing sediment and dredged material.

Water supply reservoirs and wetlands throughout Illinois and many other states are filling with sediment. There is a need for efficient means of removing sediment from marshy ecological areas without damaging trees or creating turbidity problems. Additionally any small communities need to remove sediment from their water supply reservoirs but have difficulty finding places to manage the large amounts of water and wet sediment generated by traditional dredging practices. Techniques are needed which would address the needs of reservoirs ranging in size from the large ones at Danville, Bloomington to smaller ones at Geogetown and Dongola. The removal of relatively small amounts of sediment at boat ramps would make recreational lakes and rivers more accessible. Likewise marsh habitat in many parts of the state would benefit from such technology.

The funds would support tests and demonstrations of various innovative means of dredging, dredged material placement, and characterization of the physical and chemical properties sediment from various locations. The objective would be to remove sediment without adding the large volumes of water associated with conventional dredging and to move it efficiently to places where it can be beneficially used or permanently placed. The use of sediment as landscaping soil and in other applications will be evaluated to determine suitable uses for this material.

DNR would also continue its evaluation of using sediment as landscaping and top soil. Greenhouse and small scale field tests show that sediment supports plant growth as well as native topsoil. Further tests and demonstrations will evaluate using clean sediment to rehabilitate areas like urban brownfields and strip mines.

## HISTORIC PRESERVATION

### • ABRAHAM LINCOLN PRESIDENTIAL LIBRARY

**Request:** *Seek appropriation of \$10 million of the authorized level of \$50 million.*

The State of Illinois has committed \$50 million and the City of Springfield has committed \$10 million for the Abraham Lincoln Presidential Library (ALPL) site, in order to construct the ALPL. This request asks for \$10 million of the remaining \$40 million authorized in FY01 to help construct the ALPL, and to complement major private sector funds. The federal funds are matching funds that are at a 1 to 2 ratio. The ALPL will receive no annual operational budget from the National Archives, as other presidential libraries currently do that are funded under the Presidential Library Act. The State of Illinois will take responsibility in perpetuity for maintenance and operations of the museum, including extensive educational and public affairs programs on the site.

The new facility will house a collection of over 12,000,000 books, documents, paintings, and artifacts, including the crown jewel of the Henry Horner Collection—46,000 Lincoln artifacts, documents and personal effects.

Of the \$50 million authorized, \$10 million has already been appropriated. Accordingly, \$40 million remains to be appropriated.

### • CONTINUE NEWLY INCREASED FUNDING FOR PRESERVATION PROGRAMS

**Request:** *Continue funding for preservation programs at FY01 levels*

In FY00, the Preservation Services Division received approximately \$638,686 in federal funds. This amount is determined by a formula adopted by the National Park Service and in place for many years. In FY01, the amount is \$1,155,877, a major increase of \$517,191, or nearly 81%. These funds are used to support the following federal programs:

National Register of Historic Places; Survey of Historic Properties; Certified Local Governments; Rehabilitation Tax Credit; Review and Compliance; Grants (No less than 10% of total funds must be subgranted to certified local governments)

Federal support for federal programs administered by the Preservation Services Division has shown little increase for twenty years. Accordingly, the seemingly dramatic FY01 increase is long overdue and will never make up for state incurred costs (mandated employee salary increases, increased workloads, etc.) in previous years.

## FORESTRY

### • CHICAGO WILDERNESS GRANTS

**Request:** *Continued funding for the Chicago Wilderness grant in the amount \$1.3 million. This funding consists of appropriations to the US Department of Agriculture Forest Service of \$700,000 and to the US Department of the Interior Fish and Wildlife Service of \$600,000.*

The Chicago Wilderness grant program provides financial assistance (with a match requirement) to assist with ecological restoration projects; planning and policy development; education, outreach, and public participation projects; and communication and publications programming. Chicago Wilderness has promoted cooperation and information sharing among the over 100 member organizations and has affected the lives of thousands of people in the region.

Chicago Wilderness is dedicated to the protection, restoration, and stewardship of the natural communities of the Chicago region through fostering their compatibility with the human communities whose lives they enrich. The grant is administered by the Illinois Conservation Foundation and has been appropriated since FY96 on an annual basis.

### • ILLINOIS STATE AND PRIVATE FORESTRY PROGRAMS

**Request:** *Continued funding for State and Private Forestry Programs. Illinois DNR receives more than a million dollars annually for seven forestry programs.*

Including the City of Chicago, universities, and other entities, the state of Illinois receives a total sum of around three million a year for forestry, primarily from the USDA Forest Service budget.

Programs include Forest Health Management, Cooperative Fire Protection (State Fire Assistance and Volunteer Fire Assistance), and Cooperative Forestry (Forest Stewardship and Management, Forest Legacy, Urban and Community Forestry, and Economic Action Programs). Of these, Urban Forestry is the largest.



# LABOR, HEALTH & HUMAN SERVICES AND EDUCATION

## LABOR

### • SCHOOL-TO-WORK

**Request:** *Full funding (FY00-FY01 \$15.2 million, and for 2001-2002 \$10.6 million) of the School-to-Work initiative from the Department of Labor to Illinois.*

Education-to-Careers (ETC) was created by the school-to-work act, Department of Labor, 1994. Funds allocated to ETC have assisted Illinois to develop systemic change in the Education curriculum, which better prepares all students for the world of work, and full participation in society. ETC is Illinois' commitment to support systemic reform that will improve the quality and relevance of education for every student, so he or she is prepared for a personally and professionally rewarding life in the 21<sup>st</sup> century. It is a common sense approach to preparing young people to succeed and supports a shift from the traditional educational system to a system that is dynamic and relevant to a rapidly changing economy. A basic tenet is the desire to ensure that every Illinois student becomes a lifelong learner who is fulfilled and productive in his or her chosen career.

Education-to-Careers is not a program or a system, but a catalyst to improve the existing education and employment systems for every citizen. ETC brings local people together as a team to help local students succeed. Students can learn more and see the relevance of what they learn when given the opportunity to apply knowledge and skills to "real-world" challenges both in and out of a traditional classroom setting. The ETC initiative will strengthen education, support meaningful career preparation and promote life-long learning.

While Education-to-Careers incorporates career preparation into the curriculum, it is not a job training program. ETC is not just another name for vocational education or traditional work programs. Education-to-Careers is different in many ways, but primarily in its emphasis on improved academic achievement for all students.

### • UNEMPLOYMENT INSURANCE ADMINISTRATION

**Request:** *Support full funding for Unemployment Insurance Administration.*

The unemployment insurance program provides temporary monetary benefits for workers who become unemployed through no fault of their own and collects state taxes from employers to fund the benefits. Illinois generally receives 4-5% of the total funding for UI administration. For FY00, the national appropriation was \$2.266 billion. Of that amount, Illinois received \$98 million, which was determined by USDOL to be at least a \$13 million short-fall.

Illinois' program is administered by the state's Department of Employment Security. During state FY00, the program provided \$1.184 billion in benefits for 297,407 jobless Illinois workers and collected \$1.183 billion in taxes from 292,748 employers. The major interest groups involved with the program in Illinois include the Illinois State Federation of Labor (AFL-CIO), the Illinois Manufacturers Association, the Illinois Retail Merchants Association, the Illinois State Chamber of Commerce, the National Federation of Independent Business and the Illinois Employment Law Council.



**• EMPLOYMENT SERVICE PROGRAM**

**Request:** *Support full funding of \$1 billion for state Employment Service activities. Illinois share would be \$40 million.*

The Illinois Employment Service matches the talents of job seekers with employers' skill needs. Illinois generally receives 4-5% of the appropriation. For FY00, the national appropriation was \$761.7 million. An increase in this program is needed to address a 38% drop in inflation-adjusted dollars since 1987.

The Employment Service is one of the centerpieces of Illinois' one-stop employment and training system, providing recruitment for employers, referral for job applicants, on-line talent and job banks, comprehensive labor market information, and information and screening for certain tax credits. Approximately 155,000 individuals in Illinois entered employment through this program in FY00.

**• WORKFORCE INVESTMENT ACT**

**Request:** *Support full funding of \$4 billion for Workforce Investment Act Programs, resulting in \$160 million for Illinois. Funding for FY01 is \$3.9 billion nationwide. Illinois receives \$158 million.*

The Workforce Investment Act (WIA) is the first major reform of federally-funded job training programs in almost 20 years, establishing a workforce development system where individuals can find a job or train for a new career. Illinois' total allotment for Workforce Investment Act programs for Program Year 2001 was \$158 million. The national appropriation was \$3.9 billion.

The WIA system differs from previous approaches by emphasizing "work first", getting adults and dislocated workers back into the workforce as quickly as possible. Services are provided through the state's one-stop delivery system, the Illinois Employment and Training Center network.

WIA establishes three basic levels of employment and training services to eligible individuals. All adults, age 18 or older, are eligible to receive "core services". Additional "intensive services" are available to unemployed individuals who have been unable to obtain jobs through core services and those who are employed but need additional training services to reach self-sufficiency. "Training services" are also available for those who were unable to find employment through intensive services.

The WIA program also serves youths, aged 14-21. Services include instruction/tutoring leading to secondary school completion, summer employment opportunities directly linked to academic and occupational learning, paid and unpaid work experience, occupational skill training, leadership development skills, supportive services, and comprehensive guidance and counseling.

## HEALTH

### • LONG TERM CARE FACILITIES SURVEY & CERTIFICATION

**Request:** *Increased funding at a national level for HCFA Survey and Certification Budget for long-term care facilities. \$2 million is requested to fund 30 positions.*

Lack of additional funding could result in a backlog of work. DPH could be held in violation of federal mandates for not responding in a timely manner.

Illinois T18-Medicare funding for LTC for FY00 was \$6,497,371 and for FY01 the amount approved (pending final federal legislative approval) is \$6,584,097 or an increase of \$86,366 (+1.3%). The funding for LTC is based on projected surveys, not on actual work. The State of Illinois expects to see a workload increase that exceeds the 1.3% increase in federal Medicare funding. Most of the increased workload is due to the President's LTC Initiatives instituted this past year including the increased focus on decubitus ulcers, hydration, nutrition and abuse/neglect. It is imperative that funding be available to cover all workload issues based on actual surveys, not projections.

### • NON-LONG TERM CARE FACILITIES SURVEY & CERTIFICATION

**Request:** *Increased funding for non-long term care surveillance activities. \$6 million is requested to hire an additional 100 staffers to fully staff the program.*

These funds would be used for additional staff to cover survey and complaint investigations at hospitals, hospices, dialysis centers, and home health agencies in order to review all facilities under the Medicare Certification Program.

Lack of additional funding could result in a backlog of work. DPH could be held in violation of federal mandates for not responding in a timely manner.

The issue of Non Long Term Care is also one of adequate funding, but also adequate survey coverage. The T18 Medicare funding for Illinois NLTC programs for FY00 was \$2,060,262 and the proposed funding for FY01 is \$2,154,105 or an increase of \$93,843 (+4.5%).

### • MATERNAL AND CHILD HEALTH BLOCK GRANT

**Request:** *Full funding of the Maternal and Child Health Block Grant (\$750 million), which would increase Illinois' allocation by about \$1.5 million to \$25 million.*

This block grant provides funds to enable states to maintain and strengthen their leadership in planning, promoting, coordinating and evaluating health care for pregnant women, mothers, infants and children, as well as children with special health care needs.

### • ILLINOIS POISON CONTROL

**Request:** *\$250,000 (an increase of \$20,000 from FY01) to the Illinois Poison Center (IPC) in FY02.*

The IPC is the successor to the nation's oldest and largest poison control and information centers. In 1997, IPC saw its service area expanded to the entire state in the wake of the closure of Illinois' four other regional centers, all due to a lack of funding. Today the IPC, on a 24-hour per day seven day-per-week basis, serves the largest population of any other poison control, information and treatment center in the

nation, handling approximately 80,000 cases annually, more than half of which involve children under the age of six.

The intent of the IPC is to provide immediate, around-the-clock toxicity assessments and treatment recommendations over the telephone for all types of poisonings, overdoses and drug interactions affecting people of all ages.

The IPC is currently funded through a unique public/private partnership between the state of Illinois and its hospital community. Despite such generosity, funding remains unstable and the center's ability to continue serving all Illinoisans remains questionable. In addition to the basic costs of running such a center, the recent expansion of the IPC's service area to the entire state of Illinois has required a significant increase in highly skilled manpower and investments in new computer systems.

It is also important to point out that IPC's costs, despite its large service area and caseload, is less than the average cost incurred by other poison information and control centers nationwide. IPC is also a cost-effective program. A 1998 study by the U.S. Department of Health and Human Services found that every dollar spent on a poison center saves \$7 in unnecessary medical costs. In 2000 alone, the IPC saved Illinoisans more than \$15 million in unnecessary emergency room and physician office visits.

• **BIOMEDICAL RESEARCH AND DEVELOPMENT COMPLEX AT IIT**

**Request: \$12 million through NIH for a Biomedical Research and Development Complex at IIT.**

In collaboration with IIT Research Institute, IIT proposes to establish a new locus of biomedical research, technology commercialization and corporate research to support 21st Century medical, medical device and pharmaceutical advances. The \$80 million project will include facilities housing programs in biomedical engineering, pharmaceutical manufacturing, bio-terrorism research, genetics research, cancer research and pre-clinical trials. Many of these research areas will have a direct connection to DOD requirements for improved medical care of military personnel and threat management associated with the increase in concern regarding bio-terrorism. The research programs will anchor a full service technology commercialization center and incubator. Early estimates indicate an additional \$40 million in leveraged research grants and contracts over the next five years.

Federal funding will help with the renovation of DOD-related facility development as well as sophisticated equipment and laboratory development to support the other research activities.

The new center will be located at 35th and State Streets in Chicago and will help energize the redevelopment of Chicago's South Side. This center will compliment the new City of Chicago Police Headquarters, the renovation of the area adjacent to Comiskey Park, and the transformation of public housing just south of the site. Special training and jobs programs for CHA residents participating in the transformation of public housing will be a key component of the over all strategy. Federal funding will leverage state, commercial and foundation funding.

• **PLANNED RESEARCH FACILITY—LOYOLA UNIVERSITY HEALTH SYSTEMS**

**Request: \$10 million for a new research building.**

This freestanding state-of-the-art research building will be the primary site for the Neuroscience and Aging Institute, Loyola's Expanding Molecular Medicine Research Program, and the redeployment of scientists in areas such as cancer and cardiovascular research currently working in either fully subscribed or inadequate laboratory space.

A significant portion of existing 105,000 sq. feet of research space is currently housed in facilities, which are over 30 years old and badly in need of major and continued renovation. The remaining research facilities support cancer and cardiovascular research initiatives. These facilities, while housed in modern

laboratory space, are at maximum capacity, allowing for no additional growth in these two crucial areas of investigation.

The Planned Research Facility will not only house research, but it will also benefit the community as a whole by adding approximately 400 new jobs to the area. The jobs created would be in the form of technical and support personnel needed to run the facility.

- **RESPONSE TO AGENTS OF BIOTERRORISM INITIATIVE AT SOUTHERN ILLINOIS UNIVERSITY**

**Request:** *\$1.465 million for Southern Illinois University School of Medicine's Response to Agents of Bioterrorism Initiative.*

The SIU School of Medicine is well positioned to develop a model for the recognition and rapid response to the release of infectious agents that will be a critical component for domestic preparedness to an act of domestic terrorism and is seeking federal funding to assist with this initiative.

The threat of bioterrorism using known virulent microorganisms (*Bacillus anthracis*, smallpox) has been clearly identified and attention is being provided to the development of improved response mechanisms. The challenges of recognizing disease resulting from clandestine release of an infectious agent are considerable, given the potential for geographic dispersal of the agent (through travel during the incubation period). From a public health perspective, timely surveillance, clinical awareness of syndromes, epidemiologic investigative capacity, laboratory diagnostic capacity in both clinical and public health laboratory settings, and the ability to communicate critical information is vital.

- **PATIENT SERVICE ENHANCEMENT AT SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF DENTAL MEDICINE**

**Request:** *\$467,000 for patient service enhancement at Southern Illinois University School of Dental Medicine.*

This project is designed to enhance the quality of dental education and patient services by using the latest technology in the delivery of patient care in our East St. Louis Clinic. In order to ensure that our patients continue to receive quality care it is necessary to update our clinical equipment. The existing equipment is more than twenty years old. Costly and time-consuming repairs delay patient care. The students and dental residents should have exposure to the latest diagnostic and treatment equipment such as digital radiography.

- **NURSING LABORATORIES AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$500,000 in federal funding for the Niehoff School of Nursing at Loyola University of Chicago for support and upgrading of three nursing laboratories.*

Funding is requested to support and upgrade three nursing laboratories. One will conduct research to improve the quality of life of persons with chronic illnesses, and on diet and exercise. A second, virtual-reality laboratory will educate nurses in new technologies in health care, and a third will train student nurses in basic competencies, especially information management. Funds will be used for computers and specialized research equipment, and related telecommunications and electrical upgrades.

The School of Nursing presently is conducting limited research with limited and cramped facilities. Expanding this research with a bona fide lab will promote research into the care and treatment of patients with diabetes, asthma, heart disease, cancer, lung disease, and spinal cord injury. The research will have direct positive impact for underserved populations in the Chicago area, and research findings can have statewide and national impact. Learning laboratories will improve student-nurses' clinical readiness and managerial competencies, yielding fiscal savings to health care providers while also improving the quality of patient care.

• **BIOCONTAINMENT/BIOSAFETY BUILDING—UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *\$40 million with an equal match from the National Center for Research Resources/NIH.*

The appearance of new and re-emerging diseases created a shift in national research priorities in animal and human health. Additionally, the application of new technologies has greatly changed the way research on infectious and genetic diseases is conducted. Such studies must be conducted under strict safeguards designed to protect both the animals involved as well as the researchers and the public.

These new facilities will provide accommodation for research of prime importance to the production agricultural industries in Illinois and the nation as well as to basic biomedical research impacting both human and animal health. The proposed biocontainment/biosafety building will be the only facility of its kind in the State of Illinois capable of containing laboratory and farm animals and one of only a handful of such facilities in North America. Without such facilities, this campus and state will be at a decided disadvantage in maintaining research leadership and successfully competing for federal and private research funding. Research conducted in these facilities will result in improved genetic stock for Illinois' agricultural industries, novel genetically based vaccines, a safer food supply, and a better understanding of human disease. The need for these facilities is a critical and immediate. Failure to act now will result in long-term negative effects on the research productivity and reputation of this university and its ability to attract extramural funding.

## HUMAN SERVICES

### • **TITLE XX, SOCIAL SERVICES BLOCK GRANT**

**Request:** *Support full funding of Title XX at its authorized level of \$2.38 billion and continue 10% transferability from TANF to SSBG in order to fund child care programs. Last year \$1.7 billion was appropriated. Illinois received \$135 million.*

Title XX provides a flexible federal funding source to support Illinois' efforts in child protection and welfare, to promote social adjustment and rehabilitation, and to serve victims of domestic violence. Combined federal, state and local funds provide funding for 23 separate Illinois social services through a network of four state agencies.

This block grant program was cut regularly during the late 90's. As part of the 1996 welfare deal, Congress made a commitment to the Governors that SSBG would be level funded at \$2.38 billion each year. In fact, the Governors reluctantly accepted a 15 percent cut in exchange for a commitment for stable funding in the future. Governor Ryan strongly supported full funding during FY01 Federal appropriations discussions as well as the issue of 10% transferability.

### • **CHILD CARE AND DEVELOPMENT BLOCK GRANT**

**Request:** *Support level funding of the Child Care and Development Block Grant. In FY01, \$4.5 billion was appropriated nationwide. Illinois received \$192 million.*

The Child Care and Development Block Grant provides child funding for child care to low income families to enable individuals to participate in approved education and training activities and to assist families that would otherwise be at risk of becoming eligible for welfare. The mandatory part of the block grant replaces the AFDC/JOBS-Child Care Title IV-A of the Social Security Act and is to be administered by a single agency. Services must maintain current law health and safety standards: four percent of the money is to be set-aside to provide comprehensive consumer education to parents and the public; activities that increase parental choice; and activities that improve the quality and availability of child care, such as resource and referral.

Mandatory/guaranteed funds are allocated based on the federal share of expenditures for Title IV-A child care in FY94, FY95, or the average of FY92-FY94, whichever is greater. There is no state match required but the program does have a maintenance of effort requirement. There is a 5 percent cap on administrative funds. 154,000 average monthly children are served. Includes child care services also paid through Title XX Social Services Block Grant and Migrant Head Start.

The mandatory/matching funds have the same program requirements as the guaranteed program. Matching money is not available to the state until a state has expended all of its guaranteed child care grant plus an amount equal to what was spent from its own funds on the Title IV-A child care in FY94 or FY95, whichever is higher.

Mandatory/matching funds are allocated according to the proportion of children under 13 and are capped based on a share of available funds. The state's match is determined by its state Medicaid match. The Illinois rate is 50 percent. There is a 5 percent cap on administrative funds.

Discretionary funds are available in addition to the mandatory money and are governed by the same rules. These funds are replacing the current Child Care and Development Block Grant.

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- **LIHEAP, LOW INCOME HEATING AND ENERGY ASSISTANCE PROGRAM**

**Request:** *Support full funding of \$1.1 billion plus \$300 million for emergency fund.*

Funds will be used to assist low-income households pay for the cost of home energy, particularly heating costs. The program provides heating assistance, emergency services and, depending of availability, medically necessary cooling assistance to income-eligible households. Benefits are provided as payments to energy providers (e.g., utility companies) or directly to households.

Funds for the program are provided to the states by a formula based upon the number of households in poverty. \$300 million in emergency funds can be released by the President to respond to weather related emergencies. Although no match is required for the program, the state provides Supplemental Energy Assistance Funds collected by meter fees to utility company customers.

The combined state and federal funds will provide for serving approximately 325,000 low-income households next year. The program is operated in all 102 counties of the state through the community action agency network. It is a key component in providing more affordable home energy for low-income families and for reducing the number of cutoffs by utility companies of customers unable to pay their home heating costs.

- **OLDER AMERICANS ACT**

**Request:** *Support level funding of \$1.1 billion for programs under this act. Illinois share would be over \$41 million.*

On November 13, 2000, the Older Americans Act was reauthorized including the new National Family Caregiver Program. Illinois received over \$41 million in FY00 funding for programs under this act. The Older Americans Act is the major source of federal funds for the Illinois Aging Network. Funding under this act helps to provide needed social and nutritional services to over 375,000 older persons in Illinois. In FY01 Illinois will receive nearly \$5 million additional funding to implement the new Caregiver Program.

Funding for this act has not increased over the last several years at the rate that the older population has increased. Therefore, it is extremely important that the current programs continue to be at least fully funded.

- **DEVELOPMENTAL DISABILITIES COUNCILS**

**Request:** *Support an increased level of funding for Developmental Disabilities Councils. In 2001, federal funding was \$67.6 million. Illinois received \$2.7 million.*

The Illinois Council on Developmental Disabilities is funded through the Developmental Disabilities Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act). The Council receives on federal funds; there is no General Revenue Funds. An increase of funds would be allocated to Council grants and other activities consistent with efforts to implement the Council's Five Year State plan.

In 1996, Council received an average funding cut of 8%. Councils were then level funded at \$64.8 million (\$2.5 million to Illinois) until FY00 when they received an overall increase of \$1 million across the 55 Councils in the states and territories.

The Developmental Disabilities Programs are funded and authorized by the DD Act and the federal administering agency is the U.S. Department of Health and Human Services, Administration on Developmental Disabilities. The Act, which was recently reauthorized in 2000 (President Clinton signed the bill October 30, 2000) authorizes three programs in every state. These are the State Developmental Disabilities Councils, the Protection and Advocacy systems, the University Affiliated Programs, and it authorizes Projects of National Significance.

• **SERVICE PROGRAMS FOR ELDERLY BLIND INDIVIDUALS**

**Request:** *An appropriation increase for Title VII, Chapter 2 of the Rehabilitation Act of 1973, as Amended, for the Rehabilitation Services Administration found within the Department of Education/Office of Special Education, from \$15 million to \$19.5 million. This increase will give the State of Illinois \$1 million to fund a service program for elderly blind individuals.*

A study conducted by the National Center for Health Statistics indicates that 68% of the blind population of the State of Illinois is age 65 or older. The 135,000 affected presently have funding of \$192,000 for services. If the 2000 budget remains the same, the \$11.2 million for FY99 for older blind services will be increased to \$15 million in FY00. Both the House and Senate versions of the budget bill contain this 33.9% increase. Increasing the budget level to \$19.5 million is a 15% increase over the FY00 level which would take Illinois funding from \$675,000 to the \$1,000,000 level. While the funding remains inadequate, it is one step toward building a needed program for an aging U.S. population.



## MEDICAID

### • MEDICAID FRAUD CONTROL UNIT

**Request:** *MFCU requests \$5,655,327 to continue investigating and prosecuting cases involving health care providers who are suspected of defrauding the Medicaid Program, as well as those persons suspected of abusing or neglecting patients in Medicaid-supported health care facilities. MFCU is a federally funded grant through the Department of Health and Human Services (HHS). There is a 25% match for the state.*

Pursuant to the Medicare-Medicaid Anti-Fraud and Abuse Amendments, MFCU investigates allegations of fraud, abuse, and neglect. In suspected abuse and neglect cases, Illinois law mandates nursing home owners, administrators, and employees to notify the Illinois Department of Public Health (IDPH). These reports are referred to MFCU for appropriate action. MFCU annually receives about 2,000 IDPH referrals. MFCU can investigate a complaint or refer it back to IDPH. Since MFCU has a limited staff of 45, the Unit can investigate only a small number of IDPH's referrals.

Each year, federal and state governments spend billions of dollars on medical assistance for the elderly. In 1991, the U.S. spent over \$700 billion to obtain health care. Today, health care expenditures represent a significant percentage of the nation's gross national product. According to various sources, fraud and abuse by providers contributes between 10 and 15 percent of all health care expenditures. These losses threaten the nation's ability to provide a quality health care in the future. The elimination of fraudulent activities, such as patient dumping, kick-back schemes, bribery, and illegal drug diversion, is a national law enforcement priority. Accordingly, MFCU requested \$5,655,327 in FY01 to more than double its operating budget in order to increase the Unit's ability to detect, apprehend, and prosecute offenders.

There are approximately 44 million elderly persons in the U.S. and, of those, 1.5 million reside in Illinois. It should be no surprise that health care delivery for the elderly is a fertile source for fraud, abuse, and neglect. In the fraud arena for example, Beverly Enterprises was forced to repay \$175 million it stole from the federal government. Vencor, another nursing home chain, was forced to repay \$90 million. The U.S. Department of Justice announced it was seeking \$1.3 billion from Vencor in fines and penalties.

Authorities estimate between 1 and 4 percent of the elderly are abused. The incidence of abuse is 3 to 10 times greater in long-term care settings. The General Accounting Office recently reported more than one-fourth of the nation's nursing homes are cited for causing death or serious harm to residents. The U.S. Senate's Special Committee on Aging found 54 percent of nursing homes' staff at levels below bare minimum. The Agency for Health Care Administration reports that nursing home violations increased 50 percent from 1997 to 1998. In Illinois, there are over 100,000 elderly persons living in about 1,100 nursing homes. As the rank of those over the age of 65 continues to grow, nursing home populations are growing, and elder abuse is receiving increased national attention. Coalition members lobbying to focus attention on the problem include the Nursing Home Monitors and the National Advocacy Group.

## SUBSTANCE ABUSE

- **SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT, KNOWLEDGE DEVELOPMENT GRANT, AND CAPACITY EXPANSION GRANT**

**Request:** *\$2 billion for the Substance Abuse Prevention and Treatment Block Grant. SAPT was funded at \$1.7 billion in FY01 with Illinois receiving \$65 million, an increase of \$3.2 million from FY00. Funding at \$2 billion would give \$85 million to Illinois.*

Illinois currently addresses only 9 percent of the need for treatment with federal and state funding. Illinois-specific studies estimate that Tobacco, Alcohol and other Drugs (ATOD) abuse and dependence costs our State approximately \$6 billion each year (for 2001, only \$65 million was appropriated for federal grants to Illinois). Increased funding is required to address the large unmet need for substance abuse treatment.

The Substance Abuse Prevention and Treatment Block Grant (SAPT), Knowledge Development Grant (KDA), and Capacity Expansion Grant are the primary sources of federal funding for substance abuse treatment. Block Grant funds are awarded based on a complex formula which includes components that represent state-specific measures for need (population), cost of services (wage/rent/other), and the fiscal capacity of the states (total taxable resources). KDA and Capacity Expansion funds are competitive in nature and must be applied for through grant applications.

## **CHILDREN AND FAMILIES**

### **• LAWRENCE HALL YOUTH SERVICES**

**Request:** *\$5 million for the construction of a residential treatment and education center for severely emotionally disturbed, abused, neglected, and special education children in Chicago.*

This project would replace current buildings and include Residential Treatment Homes, Therapeutic Day School, Employment and Career Development Center, Gymnasium, Arts Center, and Infrastructure Improvements.

Lawrence Hall Youth Services serves over 1,500 children and their families annually, mostly from the Chicago metropolitan area. 95% of the children are wards of the state. The total project cost is \$35 million. Illinois has given \$3.5 million with an additional \$6.5 million requested. \$20 million will be raised independently.

## EDUCATION

### K-12 Education Funding

#### • INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)

**Request:** *Seek a \$1.3 billion increase in funding of the Individuals with Disabilities Education Act and support the federal government's obligation to fund 40% of a state's special education funding needs.*

In 1975, when the law formerly known as the Education of the Handicapped Act was passed, the federal government committed to fund 40% of Part B services under the Individuals with Disabilities Education Act (IDEA). The federal government's FY01 contribution amounts to only 15%—not 40%—and states are currently funding the balance to assist school districts in providing special education and related services. Illinois will receive approximately \$285 million this fiscal year (at the 15% level). The Bush Education Agenda calls for increased federal funding of this program, “with the goal of meeting the federal obligation” of 40%.

It is vital that Congress make real progress toward its mandate to fully fund the 40% federal share of IDEA and this increase would make significant progress in meeting that objective.

#### • PRESIDENT BUSH'S EDUCATION INITIATIVES

**Request:** *Ensuring Illinois receives it proportional share of funding through President Bush's education initiatives.*

The Bush education agenda calls for several new funding programs, including: (1) the establishment of a \$1 billion Math & Science Partnership Fund to strengthen K-12 math and science education; (2) the establishment of a \$3 billion Education Technology Fund to ensure that technology boosts academic achievement; (3) the investment of \$5 billion over 5 years to ensure that every child can read by the third grade; (4) the establishment of a \$500 million student performance fund to reward states and schools for their improvement; and (5) the combination of existing programs into a \$2.4 billion fund for states to train and recruit teachers and enact teacher accountability systems.

If Illinois were to secure its “fair share” based on population, the state would receive approximately \$355 million for these education initiatives.

#### • ELEMENTARY AND SECONDARY EDUCATION ACT FUNDING

**Request:** *Seek a \$1 billion increase in Title I funding and maintain the hold harmless provision.*

ESEA formula grants through state education agencies (SEAs) to local school districts to improve teaching and learning in order to enable low-achieving children to meet challenging state content and student performance standards. These funds are used to provide additional academic support and learning opportunities to help low-achieving children master challenging curriculum and meet state standards in core academic subjects. Examples of how these funds are used to support a standards-led system include extra instruction in reading and mathematics, science technology; and special pre-school, after-school and summer programs as extended learning opportunities.

Several of President Bush's programs involve increases in ESEA. In FY99, Illinois received a total of \$341.7 million in ESEA funds, in FY00 received \$348.9 million, and FY01 \$363.5 million. If the current \$8.6

billion federal appropriation were increased by 12%, Illinois would receive an additional \$40 million for Illinois' schools.

Last year, Illinois would have lost \$15 million if the provision had not been included in the final budget agreement.

- **QUALIFIED ZONE ACADEMY BOND PROGRAM**

**Request:** *Support increases in the QZAB school modernization tax credit program with a specific increase allocating \$50 million in bonding authority to Illinois.*

Illinois continues to have a tremendous need for federal school construction support. While Illinois has invested \$1.37 billion into school facilities statewide in the last three years, at the state and local level, over \$8.4 billion still remains in reported school construction needs. Illinois has been one of the few states to actively participate in the QZAB program, which provides some limited funds to assist with school construction. Illinois has been aggressively trying to meet the school construction demands within the State through state programs, but some needs remain unmet.

Illinois currently participates in the Qualified Zone Academy Bond Program. 1999-2000 is the second year of participation. In Year 1, Chicago #299 financed some needs with QZAB; in 1999-2000, Chicago #299, West Aurora, DeKalb and Mendota participated. The allocation for each year has been \$14 million. An increase in the QZAB program would help meet unmet school construction needs.

- **COMMUNITY TECHNOLOGY CENTERS: BRIDGING THE DIGITAL DIVIDE FOR AT RISK YOUTH**

**Request:** *\$3.5 million in federal funding for Community Technology Centers throughout Illinois.*

Federal dollars would flow through the State Board of Education to local school districts in each of the areas of the Illinois Boys and Girls Clubs. Schools would partner with these clubs in order to use all available local training and technology resources to the maximum.

Boys and Girls Clubs in Illinois are currently located in Alton, Bellwood, Bethalto, Bloomington, Carpentersville, Champaign, Chicago, Cicero, Danville, Decatur, East St. Louis, Elgin, Fairbury, Freeport, Joliet, Moline, Pekin, Peoria, Pontiac, Rock Island, Rockford, Scott Air Force Base in the Belleville area, and Springfield.

The funding will provide software, additional hardware, peripherals, and operational support for 57 new technology centers at Boys and Girls Club facilities and staffing.

- **IMPROVING READING ACHIEVEMENT FOR GRADES 7-12**

**Request:** *\$4.5 million in federal funding to the Illinois State Board of Education to assist improve reading achievement for grades 7-12 throughout Illinois.*

The intent of this initiative is to reduce the number of seventh through twelfth grade students who need special instruction in comprehension of informational and technical text by increasing access to special reading classes in order to increase the number of students who meet the *Illinois Learning Standards* in reading. Such a program should be consistent with the work in Illinois on the federal Reading Excellence Act and the scientifically-based reading research used with Illinois' federal funding application. This would allow school staff and grade 7-12 students to improve their reading skills through additional funds to school districts which will allow opportunities for extended instruction to improve reading achievement.

ISBE proposes to fund initiatives in thirteen downstate districts at \$250,000 per district and provide \$2.5 million to Chicago Public School districts in order to modify appropriate curriculum, offer professional

development for their upper grades faculty, and purchase appropriate materials, all based on scientifically based reading research, with a goal of increasing their students' reading achievement.

- **IMPROVING MATHEMATICS ACHIEVEMENT IN THE MIDDLE GRADES**

**Request:** *\$4.5 million in federal funding to the Illinois State Board of Education to implement an initiative to improve mathematics achievement in the middle grades throughout the state.*

From *A Profile of Illinois Public Schools: Selections from the School Report Card Files, November 2000*, by the State Board of Education, between 1999 and 2000, Illinois Standards Achievement Test (ISAT) mathematics performance was generally unchanged at Grades 3 and 5, and increased somewhat at Grade 8. The results of the 2000 ISAT indicate that the percent of students meeting or exceeding state standards in mathematics at Grade 3 was 69%, Grade 5 was 57%, and Grade 8 was 47%. In 1999, as the test was not given to all 10<sup>th</sup> graders in 2000, it was 52%. The numbers show a decline in achievement as students move into the upper grades.

Illinois seeks federal funds for pilot efforts in the following school districts, to begin addressing this achievement problem in the middle grades for large unit districts, where the K-12 mathematics sequence can be appropriately addressed. ISBE proposes that eleven downstate districts each receive \$250,000, and Chicago receive \$1.5 million, in order to modify appropriate curriculum, offer professional development for their middle grades faculty, and purchase appropriate materials, with a goal of increasing their students' mathematics achievement. Additionally, the agency requests \$250,000 for initial planning and professional development of teacher educators at the State's public and private colleges and universities offering the mathematics courses needed for current Illinois teacher certification.

- **INDUCTION AND MENTORING MODEL DISTRICTS**

**Request:** *The Illinois State Board of Education seeks \$2.1 million for its initiative on Induction and Mentoring Model Districts.*

In the proposed Illinois induction and mentoring program, induction is defined as *"the transitional period in teacher education between initial and standard certification during which continuing developmental support and assistance are provided for the novice teacher."* Mentoring is defined as *"the professional practice that occurs in the context of teaching where experienced, trained educators work effectively with novice teachers to support, challenge, and guide the continued development of their teaching practices and facilitate structured reflection of that practice."* Ideally, an induction and mentoring program responds to the unique needs of each teacher.

Research and data confirm that intensive support for new teachers can reduce attrition by more than 60%. Several studies have revealed that 95% of beginning teachers who experience the support of effective induction/mentoring programs during the initial years remain in teaching after three years. Of those teachers, 80% continue in the field after five years.

Twenty-eight states now mandate some form of induction for new teachers, and an additional nine states plan to implement an induction program in the next three years. In addition, the National Commission on Teaching and America's Future and numerous other educational leadership organizations have endorsed induction programs as an essential element in the improvement of teaching and learning.

Funding being requested is \$2.1 million for this initiative (\$150,000 in each of 14 sites in 11 different Congressional districts). Induction and Mentoring Model Districts would use funding for mentor teachers, release time, program coordination expenses, technical assistance and training, assistance to the state and districts in the area, over a three-year period of time for maximum effectiveness.

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• **AT RISK STUDENTS—ALTERNATIVE LEARNING OPPORTUNITIES**

**Request:** *\$3.3 million in federal funding to the Illinois State Board of Education to assist school districts serve the needs of at risk students.*

Illinois has a number of students who are unserved or underserved by their current local school district. Although there are many programs and initiatives available to meet the needs of at risk students in Illinois, there remain numerous students who are truant, chronically truant, or have dropped out of school prior to the compulsory attendance age of 16.

Local programs need to be designed and available to serve the underserved and unserved population. These school districts, all having a chronic truancy/truancy rate of over 50%, need alternatives beyond those currently available to reach this population. Research suggests that most of the students at risk can and will eventually be served within the regular school program or by programs designed to provide parents with more educational choices. As schools reform instruction, curriculum, improve teaching, use assessments properly and re-structure the school day, activities or groupings of students, more students will succeed.

• **ILLINOIS STATE BOARD OF EDUCATION EARLY LEARNING INITIATIVE**

**Request:** *\$1.6 million to the Illinois State Board of education to assist four Illinois regions to implement an early learning initiative.*

Several areas of Illinois need specific assistance in order to improve their early childhood programs.

***Rural Champaign County***

Rural Champaign County Special Education Cooperative has been providing instructional, diagnostic, therapeutic and technical services to 12 school districts in Champaign County. The Cooperative has also provides specialized education services to early childhood students with disabilities as well as those at risk of academic failure ages 3-5. The early childhood program, called SPECTRUM, has operated throughout the county, serving 50 or so young children with disabilities and 100-150 young children at risk of academic failure. The Cooperative also provides Prevention Initiatives Services and parental training to over 5,500 families in the county. Other agencies in the county, which serve this population, are Head Start, the Developmental Services Center, and private day care providers.

What is needed for the seamless system to begin is a facility and initial funding. Renovation costs of approximately \$400,000 (based on 8,000 square feet) are forecast. Additionally, \$100,000 in start-up expenses and furnishings is seen as needed.

***Southern Illinois***

Southern Illinois University-Carbondale is working with Prekindergarten programs in 22 local school districts (Congressional District #12) in that area. They are working to align curriculum for Prekindergarten—Grade 2 programs, share resources, offer professional development to improve knowledge and skills, and offer services to unserved children.

***South Cook***

In concert with the districts in the South Cook Education Consortium (Congressional District #2), a Family Resource Center is desired. This Center would house such programs as GED, parenting skills, early childhood education, Head Start, adult and family literacy, job training, and computer literacy.

***Champaign District #4***

The Champaign school district has proposed an Early Learning Center. This Center will consolidate the local Prekindergarten program, Head Start, infant toddler programs in the community, family services,

and an inclusive preschool program for young children with special needs. Additional funding is needed to make the Collaborate Family Resource Program a reality.

- **SOUTH COOK COUNTY EDUCATION CONSORTIUM**

**Request:** *\$1 million for the South Cook County Education Consortium.*

School districts in the South Cook County area have created and implemented a regional partnership for school improvement. The South Cook Education Consortium is comprised of eight elementary school districts in communities on the urban fringe outside Chicago. Collectively, the Consortium educates approximately 20,000 predominantly African-American children most of them living at or below poverty. The Consortium fosters innovative and sustainable learning opportunities through technology integration, targeted skills development and whole family education.

South Cook County, located at the intersection of three Interstate Highways linking the nation's mid-section, creates the Southern gateway to the Chicago Metropolitan area. The region is renowned for its proud history of ethnic, racial and socio-economic diversity. This partnership will encourage the region's schools, institutions of higher education, business & industry, and local governments to work together to promote and secure jobs in these sectors for area residents

- **PERSONNEL RECRUITMENT AND RETENTION INCENTIVES**

**Request:** *\$1.2 million for personnel recruitment and retention initiatives by the Illinois State Board of Education.*

The Illinois State Board of Education plans several courses of action to improve teacher recruitment and retention. While these actions are primarily at the state level in terms of statewide issues and coordination in several facets across agencies, this initiative contemplates the following:

Pilot models at the district level for recruitment and retention of personnel. \$100,000 in federal funds would be used for planning and initial implementation of successful practices in each of the following select districts (e.g., Lyons Township High School District #204 (Congressional District #3), Lombard District #44 (Congressional District #6), Mundelein District #75 (Congressional District #8), Evanston High School District #202 (Congressional District #9), Freeport #145 (Congressional District #16), Olympia District #16 (Congressional District #18), and Harrisburg District #3 (Congressional District #19).

Create a web-based common teacher application form, for use by all districts, for \$500,000. Applicants could complete it and either direct it to districts with vacancies or the districts could download it and contact the applicant directly. The value of this tool is that it would save applicants (particularly out-of-state applicants) from contacting individual districts and filling out different applications for multiple jobs. It also would create a pool of applicants—all on a level playing field—that any district could access and try to recruit. It could also be a time-saver for all parties.

- **ALTERNATIVE TEACHER CERTIFICATION INITIATIVE**

**Request:** *\$500,000 in federal funding to the Illinois State Board of Education for its alternative teacher certification initiative.*

Illinois, like other states, is facing a looming teacher shortage. This is due to some hard facts—24 percent of elementary and 26 percent of secondary teachers will be 55 years or older within the next decade, making them eligible for retirement. At the same time, K-12 enrollment is the highest it has ever been in the United States. National studies suggest a need for as many as 3.3 million teachers by 2002, up from 2.4 million in 1980. While surpluses exist in some instructional specializations (e.g., elementary education, English, etc.) and in some regions of the country (e.g., the East), the patchwork of shortage areas and fields



does not diminish the need for teachers. One of the ways to address this shortage is to put into place sufficient options such as through alternative certification.

As Illinois currently has 57 programs at various public and private colleges and universities, there is a need to expand the alternative programs at the current sites and expand the numbers of sites offering it. The use of financial incentives would be appropriate for this expansion. The State Board of Education would receive these funds and issue them to teacher education programs through a sub-grant process for planning and implementation purposes. It is anticipated that the current 14 sites could expand and an additional 12-15 sites could begin the planning process, on the basis of \$25,000 for implementation and \$10,000 for planning per site.

- **PROJECT IMPACT**

**Request:** *\$2.5 million for Project IMPACT, an initiative to improve the literacy and dropout rates of Hispanic students in Illinois.*

Launched last year by Governor Ryan, Project IMPACT will significantly improve the education performance and dramatically decrease the dropout rate of the Illinois Hispanic community through enhanced public awareness and participation, implored family and community partnerships, broad new educational alliances, and the expansion of children's aspirations. Statistics in Illinois indicate that Hispanic high school youth dropped out at nearly twice the rate of the general population, and Hispanic 6th graders failed to meet state math and English standards by a similar margin. Currently, Hispanic youth account for 15 percent of the Illinois K-12 student population and that number is expected to increase to 19 percent by 2005. The fundamental objective of Project IMPACT is to increase the percentage of Illinois' Hispanic students meeting or exceeding the Illinois Learning Standards.

- **INTERNATIONAL HIGH SCHOOL DESIGNATION**

**Request:** *\$750,000 for the Illinois International High School.*

Governor Ryan convened a Joint Task Force on International Education in 2000. The Task Force has offered suggestions for "international high schools" in order to better address the needs and educate elementary and secondary students regarding international education issues.

The primary purpose of the International High School Initiative is to provide students with the knowledge and capacity to live and work in a diverse workplace and global economy. The International High School Initiative is an affirmative response to the reality that students now live in a global environment, an environment that both in the school and in the workplace will be characterized by diversity in language, culture and ethnicity. The goals of the international track are to: (1) enhance the capabilities of Illinois' secondary students to interact effectively in a linguistically and culturally diverse environment corresponding to the realities of the global economy; (2) stimulate the interest of Illinois high school students in collegiate fields of study and career areas within the international dimension of higher education and business; (3) provide Illinois business, industry, government, and education with the workforce that will enable them to compete effectively in the global economy.

- **ILLINOIS MUSEUMS WITHOUT WALLS**

**Request:** *\$1.2 million for the Illinois Museums Without Walls initiative.*

Illinois proposes to establish *Illinois Museums Without Walls* to address the challenges of making culture and the arts an integral component of schools' core curricula, ensuring distribution of cultural resources to a diverse set of districts (large and small; rich and poor; and urban, suburban, and rural), and achieving student mastery of the *Illinois Learning Standards*.

Illinois students and educators must be linked to knowledge and the essential tools for learning; therefore, increasing access to technology and closing the well-documented “digital divide” are key objectives of the Illinois technology plan. Narrowing the gap between the “haves” and the “have-nots” requires universal, equitable access to online information, technology, communication avenues, and skills development for all students and educators. Whether Illinois shines as a leader in the emerging world of educational innovation depends largely on willingness and ability to deploy the technology to make learning available virtually anytime, anywhere, for all students.

## HIGHER EDUCATION

### Educational Loans

#### • **FEDERAL FUNDING INCREASE FOR PELL GRANTS**

**Request:** *Support increased funding for the Pell grant program and support President Bush's proposal to fully fund Pell Grants for first-year students, increasing the maximum grant amount to \$7,000.*

Pell grants represent the most important source of federal grant aid for financially needy Illinois students and are critical to efforts to ensure that such students have access to postsecondary education. The FY01 appropriation means more than 156,000 needy Illinois students will receive more than \$310 million in Pell grant assistance. Funding for 2002 needs to be sufficient to continue increases in both overall program eligibility and the maximum Pell grant award amounts. The maximum award must continue to be increased at a rate faster than inflation in order to recover purchasing power lost over time.

The final FY01 appropriation provided a welcome increase in program funding and allowed for a \$450 increase in the maximum Pell award from \$3,300 for AY00-01 to \$3,750 for AY01-02. The purchasing power of the Pell grant, however, remains less than it was 20 years ago and the Pell maximum award continues to be set at a level well below the maximum authorization of \$5,400 for FY02. The maximum Pell grant for AY01-02 is anticipated to cover only about 32 percent of the cost of attendance at an Illinois public university and 15 percent of the cost of attendance at an Illinois private four-year college. Importantly, efforts to use of Pell grant program surpluses to fund the program in the short-term at the risk of long-term funding needs should be opposed. Illinois students received a total of \$318.4 million in assistance through the Pell grant program.

#### • **LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIPS (LEAP) FUNDING**

**Request:** *Support increases in Leveraging Educational Assistance Partnerships (LEAP) funding.*

The LEAP program provides Federal matching funds to support State need-based postsecondary student grant assistance. LEAP is an excellent method for the federal government to leverage its investment in higher education. The program should be funded to at least its authorized level of \$75 million.

Illinois' portion of the final FY01 LEAP appropriation of \$55 million is expected to be approximately \$3 million. This will provide need-based grant funds to an estimated 2,700 Illinois students. LEAP is an important component of the overall funding available to Illinois residents desiring to pursue postsecondary education and signals a continued federal commitment to support grant assistance.

#### • **FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM**

**Request:** *Maintain adequate federal funding for state guaranty agencies to ensure access to low-cost educational loans for Illinois students.*

In past budget proposals, the Administration has proposed decreases in guaranty agency administrative funding sources. Maintaining adequate administrative funding for FFEL is essential if the Illinois Student Assistance Commission (ISAC) is to continue providing local service to Illinois borrowers. Nationally, FFEL loans represent about 70 percent of loan volume. In Illinois, ISAC guaranteed more than \$530 million in FFEL loans for more than 80,000 borrowers during academic year 1999-2000. FFEL continues to be a crucial component of student financial assistance. Ensuring adequate administrative funding for FFEL guarantors is essential to the long term survival of the program.

## Board of Higher Education

### • ILLINOIS 3 R'S: RESTORATION, REALIGNMENT & RENOVATION

**Request:** *The Illinois Board of Higher Education is requesting \$6 million to match \$3.5 million in state funds in the FY02 budget recommendations for the Illinois 3 R's Initiative.*

In fall 1999, Illinois public universities and community colleges estimated a backlog of deferred maintenance projects totaling \$1.2 billion for state-supported facilities. FY01 budget recommendations presented a multi-year plan to reduce this backlog to less than \$50 million in approximately ten years. The plan reflected a partnership between the state and higher education community to reduce the backlog, assuming: (1) an annual investment of new state monies in operating budgets, with \$1 in institutional resources to match each \$4 in new state funds and with the annual reinvestment of those resources; (2) an annual state investment of at least \$75 million in the higher education capital budget for major remodeling projects; and (3) a total of \$240 million in the higher education capital budget over the ten years to address infrastructure repair and maintenance needs of lesser size and scope than major projects—usually projects costing less than \$1 million and referred to as Capital Renewal. These projects will help reduce the backlog of deferred maintenance. The longer the backlog remains, the more costly the repairs due to further deterioration and inflation. The state seeks federal funds to accelerate efforts to protect and preserve state-supported higher education facilities.

Illinois' diverse higher education capital assets, ranging from general classrooms and offices to highly sophisticated research laboratories, are a critical element of the support structure necessary to conduct quality instruction, research, and public service activities. Data provided in the 2000 space survey indicate approximately 59 million gross square feet of state-funded space at community colleges and public universities with an estimated replacement value of nearly \$10.9 billion. If these assets are properly maintained and regularly renovated, the state's investment is protected and the facilities will last for decades.

### • IMPROVING DEGREE COMPLETION AT ILLINOIS COLLEGES AND UNIVERSITIES: VALUE ADDED EDUCATION

**Request:** *The Illinois Board of Higher Education is requesting \$6.4 million in federal funding to assist in its Improving Degree Completion at Illinois Colleges and Universities: Value Added Education initiative.*

The Illinois Board of Higher Education is embarking on a five-part program to improve degree completion and persistence rates among Illinois students. The Board seeks federal funding to compliment a state match in funding for five key components to improve Illinois top ranking on the National Higher Education Report Card.

The five components include:

Development of a model that can be used in any state that accurately estimates the contribution of higher education to that state's economy.

Improvement to Illinois Student Information Systems ability to track and compare students in various degree completion categories to improve college completion.

Development of a model statewide program to improve student persistence and degree completion at state institutions of higher education

Establishment of a system that redefines college completion for those students coming to the university not seeking a degree but only short-term certificates

Determination of the value added to ones education by the first and second year of college by use of a new state test.

Illinois received the highest ranking of any state on the Higher Education Report Card issued by the National Center for Public Policy and Higher Education. Illinois received three A's, one B-, and one C+. The low grade of C+ related to completion of a college degree in a timely manner. The B- grade was for benefits of higher education to the state. Illinois would like to improve its rating in this area and focus resources on this critical public policy issue. Federal funds will be matched with state funding and will assist the Board in improving the tracking of students, establishing model degree completion programs, and removing institutional barriers that prohibit timely degree completion. A model will be developed that can be used in any state to assess the economic impact of higher education on the state's economy and well being. These models along with the use of assessment tools and accompanying information systems will allow the state to determine the value added by a college education. Over the last decade, the Board has produced several reports on the issue of time to degree. A June 1999 report titled ***Persistence, Graduation, and Time-to-Degree*** indicated that roughly 25 percent of entering freshman in the classes of 1987 through 1992 at Illinois public universities graduated within four years and about 55 percent graduated within six years. These figures are dramatically lower for black and Hispanic students. Only 6.4 percent of black students and 11.4 percent of Hispanic students graduated in four years and only 29.2 percent of black students and 38.7 percent of Hispanic students graduated in six years for the same entering freshman classes.

• **ILLINOIS ON-LINE LEARNING INITIATIVES**

**Request:** *\$5 million in federal funding to assist with a variety Illinois On-Line Learning Initiatives through the Illinois Board of Higher Education.*

The Illinois Board of Higher Education along with the Illinois Community College Board and the Illinois State Board of Education have cooperated in establishing five state-wide on-line learning initiatives emphasizing the use of Internet technology for distance learning. The initiatives included: a statewide telecommunications backbone, the Illinois Century Network (ICN); on-line college and university coursework and programs via the Illinois Virtual Campus (IVC); on-line coursework for high school students via the Illinois Virtual High School (IVHS); on-line cooperative degree programs via Illinois Community Colleges On-line (ILLCO) and an electronic library serving them all, The Digital Academic Library (IDAL). These five on-line initiatives have moved Illinois to the forefront in the use of Internet technologies to advance student access to learning opportunities and to broaden participation opportunities for students throughout Illinois. The initiatives serve students across the state reaching the most rural areas of the state and bridging the digital divide between the rich and poor, rural and urban. They give the citizens of Illinois a full quiver of education delivery. The State seeks federal funds to expand upon the state's annual investment in these important technology initiatives.

• **LIFE SCIENCES EDUCATION AND RESEARCH BUILDING AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$5 million in federal funding is requested to support a new state-of-the-art facility for inter-disciplinary teaching and research in the life sciences.*

The six-story, 100,000 square feet building will be located on the Lakeshore campus, and will support Loyola's long tradition of stimulating student-engaged education by research-active faculty. One key design concept for the building is a seamless relationship between research and teaching at both the graduate and undergraduate levels.

Replacing outdated and crowded classrooms and laboratories, the new facility will greatly expand Loyola's capacity for teaching and research in biology and other life sciences. Loyola needs this increased capacity to meet a critical demand for workforce development in the areas of health care, pharmaceuticals, math and science teaching, scientific research, and related professions. The Life Sciences Building also will significantly increase Loyola's science teacher education programs, designed to help Chicago-area science teachers integrate scientific and educational advances in their classrooms.

- **SCIENCE AND TECHNOLOGY RESEARCH LABORATORY UPGRADES AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$1.74 million in federal funding is requested to support Loyola's existing broad science curriculum, enrolling over 60% of the undergraduate population, with upgraded scientific laboratory facilities.*

Federal funding would assist in obtaining new equipment, computers and software that will enhance study in five areas: a molecular graphics and computational chemistry laboratory; biological image processing; general chemistry; a bioinformatics center; and a community research laboratory. Upgraded scientific laboratories will help Loyola to meet a critical demand for workforce development in high-tech professions, including health care, pharmaceuticals, math and science teaching, and scientific research; as well as emerging professions such as bioinformatics.

Laboratory improvements also will significantly increase Loyola's science teacher education programs, designed to help Chicago-area science teachers integrate scientific and educational advances in their classrooms.

- **SCIENCE TEACHERS FOR THE 21<sup>ST</sup> CENTURY AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$625,000 in federal funding is requested for program and curriculum support for this unique project which addresses the critical national shortage of qualified K-12 science teachers.*

Loyola's School of Education will recruit, train, and support science teachers through a three-phase program. Phase One will recruit and prepare high school students as potential science teachers. Phase Two is field-based, four-year "best practices" science teacher preparation program featuring joint degrees in Science and Education. Phase Three will provide a full year of post-graduate support for the new teachers. Urban Science Teachers for the 21<sup>st</sup> Century will create a vital pipeline of well-trained professional urban science teachers in the Chicago area.

- **URBAN SCHOOL TECHNOLOGY SPECIALISTS AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$400,000 in federal funding for Loyola University Chicago's Urban School Technology Specialists initiative.*

Partnering with the Chicago Public School system, Loyola's School of Education will teach and certify full-time K-12 schools as Technology Specialists, providing instruction in microcomputers, instructional systems, and technology and curriculum integration. Funding will equip technology teaching laboratories, develop the curriculum, and recruit and prepare an initial group of 30 students. The Technology Specialist is a new, full-time K-12 faculty position within the State of Illinois. Specialists are trained and certified to use hardware and software in the classroom. There exists a critical shortage of certified/endorsed Technology Specialists in Chicago Public Schools. Often this means that available hardware and software in a school building are not being used because there is no one with the expertise to manage it or teach teachers how best to incorporate technology in their classrooms.

- **DISTANCE EDUCATION PARTNERSHIPS AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$500,000 for distance education partnerships at Loyola University Chicago.*

Funding is requested to offer unique technology and professional programs on-line and enable Loyola to participate and support distance learning consortia such as JesuitNet and the Illinois Virtual Campus. There is a critical need to provide anytime, anywhere learning to adult students who wish to improve their skills or transition into a new career. Loyola wishes to put certificate programs in technology and professional areas on-line to reach a broader audience. Faculty development support and funding for hosting courses on-line are needed to add more courses and enhance on-line pedagogy.

The number of enrolled students in Loyola's on-line courses has grown by 50% over last year. Distance learning classrooms at our Lake Shore and Water Tower campuses are needed to allow Loyola to offer its courses to community and corporate sites and fully participate in existing academic and corporate partnerships.

- **NEW BEGINNINGS PROGRAM AT LOYOLA UNIVERSITY CHICAGO**

**Request:** *\$220,000 for the New Beginnings Program at Loyola University Chicago.*

The New Beginnings Program provides educational and career services to immigrants and refugees who have previous experience with higher education, but who need additional training and skills to utilize that education in this country. The workshops and certificate programs which constitute New Beginnings assist this population in improving their standard of living and enriching their communities through full utilization of all of their gifts and skills. Funding will support curriculum and program costs, technical support, accessibility, and marketing.

Approximately 1.1 million immigrants and refugees live in the Chicago metropolitan area, roughly one of every seven persons in the region. The Chicago area is the fourth-ranked destination for foreign immigrants. Although many services exist for primary care—shelter, medical care, ESL instruction—very little attention is paid by agencies and funders to educational and career management services for this population, resulting in significant under-employment and under-utilization of the full potential of this sizable population.

- **LABORATORY FOR STRUCTURAL ANALYSIS & COMPUTER MODELING (LSACM) AT NORTHERN ILLINOIS UNIVERSITY**

**Request:** *\$2.25 million for equipment, computers, software including \$250K for laboratory remodeling for the Laboratory for Structural Analysis & Computer Modeling (LSACM) at Northern Illinois University.*

The Laboratory for Structural Analysis and Computer Modeling will house existing and proposed scientific instrumentation to provide the tools necessary for comprehensive structural characterization of a wide range of materials including large biological molecules, synthetic compounds, solid-state materials, surfaces and small devices used in nanotechnology. The computer-modeling component of the laboratory will provide computational tools to model chemical structures and reactions, for theoretical analysis of the chemical and physical properties of new materials, and for mining large scientific databases such as those in bioinformatics. The new instrumentation will complement existing x-ray diffraction and nuclear magnetic resonance equipment to provide NIU with resources for structural analysis and computer modeling that are unmatched in northern Illinois.

This laboratory will complement the university's research in nanotechnology and bioinformatics by providing an interdisciplinary laboratory for research scientists. The investment of federal funds in this project will return ten-fold dividends to businesses and industries, faculty and students as well as the economic well-being of the region and state.

- **INTERDISCIPLINARY NANOSCALE SCIENCE, ENGINEERING AND TECHNOLOGY LABORATORY AT NORTHERN ILLINOIS UNIVERSITY**

**Request:** *\$2.85 million for laboratory equipment, personnel, materials and supplies for creation of interdisciplinary laboratory in nanoscale science.*

The equipment requested by NIU will enable the current nanoscale science and technology effort to move to the next stage of materials preparation and characterization and the fabrication research and development necessary for application to devices and, importantly, to establish a research and development program that has the potential to establish the next “leading edge” in nanoscale electronics. The personnel, maintenance and materials costs are those necessary to launch a nanotechnology program which is broad enough to cover the most promising avenues within the NIU foci in sufficient depth to insure a successful outcome. The origin and potential for applications of the recently discovered large ferroelectric effect and fast oxygen conduction will be pursued. A program will be initiated in the synthesis of these new materials as nanoscale thin films. The Microfabrication Research and Development laboratory will incorporate a state-of-the-art electron-beam lithographic system into its device generation facilities. New modes of lithographic fabrication will be examined.

The program at NIU encompasses a major thrust in the development of the next generation of materials for nanoscale applications and the associated microfabrication technologies necessary to manufacture devices. Another principal scientific focus of the NIU program is the initiation of studies to establish a basis for the performance characteristics necessary for materials in nanoscale applications. There is a new window of opportunity for Illinois to be a major competitor in establishing these new technologies and for being the site of the principal infrastructure for the nanoscale revolution in microelectronics.

• **NORTHERN ILLINOIS CENTER FOR ACCELERATOR AND DETECTOR DEVELOPMENT (NICADD)**

**Request:** *\$940,000 in federal funding to NICADD to be divided between staff salaries (\$640,000) and operations funding (\$300,000).*

This proposal requests continued salary and operations support for the Northern Illinois Center for Accelerator and Detector Development. The center provides leadership, expertise, and resources for the study of new accelerators and detectors. Within the next few years the high-energy physics community will select a technology for the next generation of colliders. NICADD has already received significant equipment and initial salary support and is heavily involved in extruded scintillator detector construction, high intensity beam line studies, linear collider prototype engineering, theoretical considerations of the next collider, and training of accelerator physicists. The infrastructure and expertise resident at NICADD will help ensure the long-term health and continued scientific success of Fermi National Accelerator Laboratory and the economic and scientific vitality of Northern Illinois.

The requested funds will support two research teams involved in high intensity beam and linear collider research. In particular, the \$640,000 will support two staff accelerator physicists, two post-doctoral researchers, two technicians, an electrical engineer and a systems engineer. The high intensity beam line will require \$300,000 for operations.

• **CENTER FOR SPATIAL & CLIMATE DECISION SUPPORT AND E-COMMERCE TECHNOLOGY FACILITY AT DUPAGE AIRPORT TECHNOLOGY PARK (NORTHERN ILLINOIS UNIVERSITY)**

**Request:** *\$1.12 million in personnel, equipment, software and operations for the Center for Spatial & Climate Decision Support and E-Commerce Technology Facility at DuPage Airport Technology Park.*

Decision science is rapidly becoming one of the most important tools of business and industry. As businesses and even public sector agencies search for ever more subtle ways to increase efficiency and lower



cost, they have begun to focus on two factors traditionally thought to be outside the scope of control—geography and weather.

The spatial decisions support center would augment Northern Illinois University's (NIU) current service capabilities by providing custom GIS-based tools for spatial asset management and operations planning to business and government clients. The proposed center builds upon the expertise of the Department of Geography faculty and staff and upon an Intergraph Corporation Center of Excellence in GIS collaborative award with NIU's College of Business. The center itself is designed to share office, work and training space, a common computer network and hardware systems, and personnel skills in database management, quantitative analysis and custom application support. Three permanent professional staff are required specializing in GIS and spatial decision support systems, a specialist in weather and climate analysis and a specialist in database programming and computer system support.

• **APPLIED GEOSCIENCES INITIATIVE AT NORTHERN ILLINOIS UNIVERSITY**

**Request:** *\$1.7 million for laboratory and field instrumentation for landscape and soil compatibility assessment and applied hydrogeology and Geoscience.*

The instrumentation proposed under this initiative will enable NIU researchers to describe, assess and map soil properties key to the region's high biological and agricultural productivity and threats to the region's highly productive soils from accelerated erosion and other factors related to changing land-use patterns.

As the northern Illinois region continues to grow, access to water and developable land will remain among the region's chief environmental concerns. Making sound environmental decisions on how to use land and other natural resources is foremost a matter of providing business, industry, government and the public with reliable, up-to-date information. The instruments proposed under this initiative will enhance NIU's ability to map, analyze, evaluate and model soils, mineral, sand and stone deposits, groundwater (aquifers) and surface water (wetlands) resources and sub-surface contaminant fields.

• **NIU/BRADLEY UNIVERSITY JOINT INITIATIVE IN ENGINEERING AND ENGINEERING TECHNOLOGY**

**Request:** *\$1.2 million in federal funding for this joint initiative in engineering and engineering technology between NIU and Bradley University.*

NIU and Bradley University are initiating a partnership with both Colleges of Engineering Technology to jointly develop a Center for Advanced Scientific and Technological Literacy in Engineering (CASTLE). Project CASTLE will utilize the expertise of faculty members at NIU-CEET and Bradley-CEET to develop a series of modules related to basic and advanced topics on engineering, including components designed for the industrial workforce interested in updating their technical skills. The modules will be developed using traditional delivery methods (lecture and print based) as well as using the web and Internet media facilities.

The modules, over the period of one year, will be completely available on the Internet and will primarily be offered to high school and community college audiences. The infrastructure needed to run the CASTLE program is already in existence at NIU-CEET and Bradley-CEET. The partnership thus formed will reach an audience through interactively linked sites in Illinois. Additionally, select industries and community-based organizations will be invited to participate in the project. Credits earned in each of the modules will be applied towards the engineering and technology programs offered by NIU-CEET and Bradley-CEET. The CASTLE will partner with entities such as the Manufacturing Extension Centers to broaden the impact and scope of the project.

- **CENTER FOR SPECIAL EDUCATION TECHNOLOGY AT ILLINOIS STATE UNIVERSITY**

**Request:** *\$3 million for ISU's Center for Special Education Technology.*

Funding will provide for the acquisition and development of a new laboratory facility, purchase the specialized technology and software to be utilized, and provide administrative and technical personnel for the operation. The overall goal of the assistive technology program is to remove learning barriers for students with multiple disabilities

Illinois State's special education program emphasizes the role of technology—from voice activated computers and large-print monitors to specially designed software programs—in helping people with disabilities to learn, work, and live independently. Using “assistive technology” in the classroom and home helps individuals with disabilities to communicate, move, and gain greater access to education, information and the world around them.

The new assistive technology laboratory, to be called the Center for Special Education Technology, will provide a unique educational resource in Illinois. The Center would serve as a model for curriculum and instruction related to special education technology. It will allow faculty members to engage in collaborative and interdisciplinary research, and development activities related to assistive technology.

- **ESTABLISHING THE ILLINOIS STATE CENTER FOR READING AND LITERACY AT ILLINOIS STATE UNIVERSITY**

**Request:** *\$3 million to establish the Illinois State Center for Reading and Literacy.*

Illinois State University proposes to establish an innovative Center for Reading and Literacy. Reading and literacy now includes computer and other technical literacy as entities increasingly incorporated into more commonplace definitions of what it means to communicate symbolically. Illinois State University, through extensive interdisciplinary faculty resources already available, is positioned to provide service to pre-kindergarten, elementary, secondary, and community college teachers, schools, families, and workplaces to enhance the literacy of the state's residents. Receiving training necessary for success in elementary and secondary school, college, and the workforce is especially important for members from low economic strata, who are typically the least prepared for educational and occupational endeavors. The improved literacy skills brought about through the Center for Reading and Literacy will promote a strong state and national economy.

- **ESTABLISHING RESIDENTIAL BRIDGE PROGRAMS FOR MINORITY YOUTH AT ILLINOIS STATE UNIVERSITY**

**Request:** *\$5 million to establish a residential bridge program for minority youth at Illinois State University.*

With its Laboratory Schools and outreach efforts through Professional Development Schools in Chicago, Elgin, and Peoria, Illinois State University seeks to create and deliver statewide residential bridge programs for minority youth during the summer and school year. The primary purposes of the bridge programs are to enhance the academic and social learning of first generation minority youth in accelerated guided settings that prepare them to do college-level work and encourage aspiration for entering teacher education programs following secondary school commencement.

Once these minority students are enrolled in teacher education programs, continuous improvement of teaching and learning at all levels requires that school-university partnerships are formed and strengthened to promote the academic enhancement of existing programs and the retention of educators, both statewide and nationally. Through continued professional development and career enhancement opportunities, Illinois State University seeks to augment the quality of teacher training to produce graduates ready for the next step on the educational ladder, teachers well prepared for the classroom and technology that enables learning at all levels. Special emphasis will be placed on partnering with other institutions of

higher education to serve school districts with a high percentage of at-risk students and those areas of the state that are traditionally underserved by higher education.

- **ENHANCING SCHOOL PARTNERSHIPS FOR INITIAL PREPARATION AND PROFESSIONAL MENTORING AT ISU**

**Request:** *\$3 million for enhancing school partnerships for initial preparation and professional mentoring at Illinois State University.*

Expansion of the successful Professional Development School (PDS) model for all teacher education students increases the quality of initial teacher preparation. This yearlong professional education internship successfully integrates the teacher education curriculum with real classroom experiences. Currently, only 10 percent of approximately 1000 teacher education seniors have the opportunity for PDS internships. Providing this yearlong experience for all teacher education seniors will support school reform efforts targeted at improved student learning. Specifically, the University will create a cohesive plan and delivery structure for all teacher education students by providing supervision and graduate education at on-site partner schools, preparing mentors, and identifying appropriate performance assessment. In addition, the University will demonstrate and work with other institutions of higher education relative to replicating these models throughout the state to assure that teacher education graduates meet high academic standards through restructuring teaching and learning processes in schools, colleges, and universities.

- **CONTINUING PROFESSIONAL DEVELOPMENT FOR EXPERIENCED AND ACCOMPLISHED TEACHERS AT ISU**

**Request:** *\$2 million for continuing professional development for experienced and accomplished teachers at Illinois State University.*

Building on its plan to provide continuing professional development for Illinois' experienced teachers and its work as a national resource center for National Board certification for accomplished teachers, Illinois State University proposes to continue assessing educational need through its Center for the Study of Educational Policy and to provide professional development opportunities for teachers already in the schools through workshops, summer camps, on-site courses, and programs that connect to school improvement plans. These mechanisms will provide instructional resources through distance learning modalities, including the Internet and other electronic portals such as the Illinois Digital Academic Library and the Illinois Virtual High School.

Relative to increasing the number of Board certified teachers (Illinois master teacher certification), the University identified a need for more than eight different levels of support for practicing teachers that prepare the teacher for the rigors of master teacher certification. The Chicago Public Schools Office of Certification and Professional Development invited Illinois State University to be a partner in its efforts to increase the presence of Board certified teachers in the system, particularly minority teachers. While this is a statewide initiative, opportunities to connect with and influence national networks of support are being realized because of the University's early start into national board certification.

- **STRENGTHENING SCHOOL SUPPORT SERVICES AT ILLINOIS STATE UNIVERSITY**

**Request:** *\$1.5 million in assistance for strengthening school support services at ISU.*

This program will build on existing University strengths to focus on support services essential to increasing student learning commensurate with state and national learning standards. The University will strengthen the initial and continuing professional development of school social workers, school librarians, school nurses, school counselors and psychologists, speech pathologists, and school law enforcement officers involved with school safety.

- **EXPANDING LEADERSHIP DEVELOPMENT NETWORKS FOR SCHOOL ADMINISTRATORS AT ILLINOIS STATE UNIVERSITY**

**Request:** *\$2 million to expand leadership development networks for school administrators at ISU.*

Equally important to increasing the quality of educational programs is strong leadership at all levels. Building on its cyberspace approach to providing alternative routes for superintendents' certification and its leadership model (the Lincoln-Baldrige Education Initiative being funded by the Bill and Melinda Gates Foundation), Illinois State University seeks to extend technological-based networks between business and the 12 state university preparation programs that emphasize new leadership paradigms and practices. Partnerships with traditional and non-traditional partners will connect school administrators with community resources, lighthouse practices, and performance assessment of schools and student learning.

This project is currently funded as a demonstration project funded by one of the two national Bill and Melinda Gates Foundation grants which provided over the June 2000 to March 2003 period \$2,250,000 in Foundation funding, as well as state and corporate match.

- **IMPLEMENTING THE ILLINOIS STATE UNIVERSITY LEARNING CENTER**

**Request:** *\$2.5 million for implementation of the Illinois State University Learning Center.*

A multipurpose Chicago-based University Learning Center will assist the formation of school partnerships to improve teaching and learning at all levels, infuse technology into the workforce, and provide for coordination of university-wide professional development outreach efforts without duplicating efforts or facilities. Illinois State University provides graduate programs that enjoy a national reputation in education to diverse cohorts of educators in the Chicago area. Programs in Educational Administration, Special Education, Curriculum and Instruction, Reading and Mathematics Education attract a significant number of minority students and have excellent graduation rates. The University is also expanding its successful Professional Development Site (PDS) model into Chicago elementary and secondary schools. PDS's serve student teachers and the academic personnel in these schools.

A new multipurpose center will allow the University to develop a permanent home for the doctoral program and expand technology training programs offered to PDS school personnel and other business and industry in the region. The Center would support the Illinois economy by insuring that technologically skilled educators are available and active in the workforce. Illinois State University will make this Center available to other state universities offering programs in downtown Chicago as a cooperative partnership with the Chicago Public Schools.

In order to increase the number and diversity of citizens completing important educational programs, the University seeks funding to establish classrooms and an advisement site to provide appropriate services to PDS personnel and doctoral students who cannot afford the time or money to become more traditional residential students.

- **DIGITAL MEDIA CENTER AT THE ILLINOIS INSTITUTE OF TECHNOLOGY**

**Request:** *\$1.5 million through Labor HHS Appropriations bill for IIT's Digital Media Center.*

IIT seeks a start-up grant to help transform learning and improve computer skills in the low income communities surrounding its main campus. The Digital Media Center will become technological platform for a comprehensive, integrated strategy to reach thousands of school children, their teachers and adults in Bronzeville, Bridgeport, Chinatown and surrounding communities. IIT plans to renovate a classroom building with non-federal funds in 2001-2002 to house the center. Federal support will leverage private and state funding for the creation of a prototype program as the facility is being constructed, including staff hiring and training, launch of a year-round youth and adult program for learning how to

use digital media, and development of curricula linking the center's work to the improvement of math, science and technology education in the schools.

- **ONLINE CENTER FOR EDUCATION, HEALTH AND HUMAN SERVICES (OCEHHS) AT UNIVERSITY OF ST. FRANCIS**

**Request:** *The University of St. Francis in Joliet, IL seeks \$475,000 for its Online Center for Education, Health and Human Services initiative.*

This initiative will provide the opportunity to (1) collaborate across teaching and support staff areas; (2) share problems and solutions in a timely means; (3) connect teachers, students and school personnel in ways to support the educational and school personnel needs more effectively and in a timely manner.

The shortage of qualified special education teachers and school services personnel such as counselors, social workers and school psychologists for the needs of urban school populations has left many urban teachers without the support necessary to solve school based issues. On line discussion rooms and symposia can provide a means by which school personnel can share issues, and information while providing for the necessary support for student and teachers. This proposal is to establish an Online Center for Education, Health and Human Services (OCEHHS) to support the structure of interagency partnerships which connect students, families and schools in a system of comprehensive services. The online center will not only provide resources to students, teachers and families, but also will provide discussion and support groups that support the prototype community center. The OCEHHS will provide collaborative opportunities and shared research for the problem-based learning center to develop a solution to the problem.

- **SOUTHERN ILLINOIS UNIVERSITY-CARBONDALE RESEARCH PARK**

**Request:** *\$3.5 million for infrastructure for Southern Illinois University Carbondale (SIUC) Research Park.*

The proposed SIUC University Research Park will complement and enhance the University's existing research capabilities and create opportunities for commercialization of existing basic and applied research. The success of existing information technology, electronics and other information-based and high tech businesses in the current Dunn-Richmond Center Incubator program clearly demonstrates that this is an effective strategy for strengthening the University on the one hand while, on the other hand, benefiting the community with new businesses, jobs and payroll. The proposed research park infrastructure project will clearly provide a physical setting for the concentration of high tech enterprises near the campus with major benefits to the University and the regional economy.

- **PATIENT SIMULATION CLINIC AT THE SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF DENTAL MEDICINE**

**Request:** *\$217,000 for the Patient Simulation Clinic at the Southern Illinois University School of Dental Medicine.*

SIU's patient simulation clinic is a contemporary project designed to improve the quality of our dental education program. This project places dental students in an environment that simulates a clinical setting.

The patient simulator is designed to closely duplicate the physical form and limitations of a real patient. The faculty can prepare the simulator to present many different "patient" problems for the student to diagnose and treat. As competency based education becomes the foundation of our curriculum, a simulation clinic offers a variety of unique educational opportunities. For example, it can be used as a competency testing site for clinical students, offering the opportunity to standardize the testing conditions in ways that are not possible with actual patients. It gives the faculty the flexibility to systematically vary the testing scenario to assure competence for a wider variety of clinical problems. When patients cancel ap-

pointments it provides a realistic substitute for the student to use, thereby preventing the loss of curriculum time. It offers the faculty a more effective setting for clinical remediation when needed. For the preclinical students, it offers a realistic clinical simulation on a “patient” and provides the opportunity to apply their skills in that setting before they encounter their first patients.

- **URBAN QUALITY TEACHER INITIATIVE AT SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE**

**Request:** *\$3 million for SIUE’s Urban Quality Teacher Initiative.*

This program is designed to develop seamless preparation, induction, and professional development programs for quality teachers in urban school districts. More needs to be done to develop effective programs for quality teachers for urban school districts. Preparation programs need to focus on the specific needs in urban contexts so that future teachers for these settings are not only certified to teach, but are, more importantly, qualified to meet the needs of urban schoolchildren. Further, well-planned induction and professional development programs are needed to support and enhance the ongoing knowledge and skill development of early and mid-career urban teachers. Research would be conducted through the planning and implementation stages to identify the processes, supports and barriers, strategies, and design elements that impact program effectiveness and the links between effective school improvement and preparation/induction/professional development. The School of Education at SIUE has extensive experience with and support mechanisms for innovations in teacher education and in providing effective assistance for urban school districts, administrators, and teachers.

- **EDUCATION INSTRUCTIONAL TECHNOLOGY RESEARCH CENTER AT SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE (SIUE)**

**Request:** *\$1.8 million for the Education Instructional Technology Research Center Southern Illinois University Edwardsville (SIUE).*

Southern Illinois University Edwardsville (SIUE) is well positioned to provide the institutional and human resources necessary to make the Education Instructional Technology Research Center a success. First, the Center will be able to draw on SIUE’s involvement and experience with such regional projects such as the Southern Illinois Higher Education Consortium’s “Telecommunications-Based Instructional Delivery System” and the Illinois State Board of Education’s Area 5 Learning Technology Hub. Second, the Center will be able to draw on the *expertise* of highly qualified faculty who are working already in multidisciplinary teams to explore such innovations as the use of three-dimensional graphical simulations in campus-wide pedagogy. Third, the Center will be able to dovetail with the research activities of the Illinois Education Research Council, which is being established on the SIUE campus to serve the general research needs of the Illinois Joint Education Commission. And, finally, the Center will be able to benefit from the expertise and experience of the staff of SIUE’s Office of Information Technology, which has pioneered such projects as a Faculty Technology Center that offers (among other services) campus-wide training on the use of web-enhanced and web-based instruction.

- **TECHNOLOGY INFRASTRUCTURE UPGRADE AT MILLIKIN UNIVERSITY**

**Request:** *\$3 million for technology infrastructure upgrades at Millikin University in Decatur, IL.*

Millikin University requests support for campus-wide technology to efficiently and cost-effectively enhance student learning. The proposed technology upgrade at Millikin will facilitate development of four promising educational initiatives: personal knowledge management; web-based plan of study and advising system; electronic portfolios; and institutional information management.

• **SCIENCE EQUIPMENT FOR NEW SCIENCE BUILDING AT MILLIKIN UNIVERSITY**

**Request:** *\$2.44 million in federal funding to assist in the acquisition of new science equipment at Millikin University in Decatur, IL.*

Millikin University is in the midst of constructing a \$20 million, state-of-the-art new science building to serve its award-winning undergraduate science curriculum. Slated for completion in late fall 2001, the 84,800 square foot building will house the University's departments of biology, chemistry and physics, and will serve all of Millikin's students (a laboratory science course is now part of the University's core curriculum). The new facility will more than double the usable space available to the sciences.

A significant investment in new and replacement science equipment is needed to outfit Millikin's new facility. Much of the existing equipment is 10 to 20 years old and in dire need of updating or replacement. Other equipment is needed to support new faculty members in their active research. The proposed science equipment purchases are needed for Millikin University to fully implement our new science curriculum and significantly impact the education of our undergraduates. Millikin is funding the building and has designed and pilot-tested the curriculum. All that remains is needed equipment.

**Illinois Community College Board**

• **EXPANDING THE ROLE OF INTERNATIONAL EDUCATION FOR COMMUNITY COLLEGES**

**Request:** *The Illinois Community College Board is requesting \$3 million to expand the role of international education for community colleges.*

For many years Illinois community colleges have been involved in efforts to expand and enhance internationalism for students and staff. The Illinois Consortium for International Programs has helped coordinate exchange programs with a number of countries. For the past several years exchanges and discussions have occurred between the Illinois Community College System and educational institutions and governmental agencies in the People's Republic of China. The Chinese government has expressed strong enthusiasm for establishing a community college system in China and in using the Illinois system as a model.

To further this effort, cooperative agreements have been signed between Illinois and Chinese institutions and between the Illinois Community College Board on behalf of the Illinois system and the provincial government in Jilin as well as institutions in Beijing, Changchun, and Shenzhen. This expansion of international education will be of major benefit to the State, the nation and educational institutions and businesses. Using China as an example, a plan needs to be developed to address how the expansion of international education can be coordinated within the System to maximize these benefits. The plan will provide a model for identifying roles and responsibilities of individual colleges, consortia of colleges and governmental entities in facilitating the expansion of cooperation.

• **CAREER AND TECHNICAL EDUCATION TEACHER RECRUITMENT AND PREPARATION**

**Request:** *The Illinois Community College Board is seeking a \$2.5 million earmark to fully support their career and technical teacher education initiative.*

Most career and technical teacher education (CTE) programs are not increasing the content course requirements for their students. In addition, a large portion of CTE teachers come to teaching from industry, which provides additional challenges for teacher preparation programs. There is a shortage of CTE instructors, particularly in high-demand high-wage fields, that is not fully reflected in supply and demand statistics. ICCB is well positioned to address this unmet need, and proposes to use federal grant funds to build on existing structures in both the recruitment and preparation of CTE teachers, as follows:

Support one to four community colleges located in areas of high need to develop a “grass roots” CTE teacher recruitment model. The models would target students in Tech Prep and other CTE curricula in high-wage, high-demand fields. Students would be provided with information about and exposure to teaching as a career, beginning in high school. The project would provide incentives to students to prepare to teach in a CTE field in the form of tuition reduction or forgivable loans for those students who meet required grade point and other standards and who complete an Associate of Applied Science degree, complete a teacher preparation capstone program, and return to their high need home district to teach either at the secondary or postsecondary level. This federal funding will also support one to three community college/university partnerships to develop model CTE teacher preparation programs that build on existing AAS degree programs in high-demand or emerging occupational areas.

• **INTERNET MENTORING FOR SENIOR CITIZENS**

**Request:** *\$2 million in federal funding to implement the Illinois Community College Board's Internet Mentoring for Senior Citizens program.*

Internet Mentoring for Senior Citizens (IMSC) will be an intergenerational initiative that pairs high school students with adults over 55 to promote information literacy skills using the Internet and other technology resources. It addresses the need for high school students to use technology to develop information literacy skills, and responds to the needs of older adults to advance their technology and/or literacy skills, in a non-threatening, collaborative learning environment. In this program, lifelong learning skills are developed and close interaction between the generations is fostered.

Once the IMSC program is designed, developed, and evaluated for effectiveness, it will be delivered by the community colleges in Illinois. Each one of the thirty-nine community college districts in Illinois will be given money to provide this service for their community and district. This initiative benefits both high school students and senior citizens who want to further their technology and information literacy skills.

• **ACCELERATED COLLEGE ENROLLMENT (ACE) GRANT/DUAL CREDIT PROGRAM**

**Request:** *\$1 million in federal funding to support the Accelerated College Enrollment Program.*

The ACE grant, begun in FY01, allows community colleges to expand their services to secondary students desiring to take college-level classes prior to receiving their high school diploma. State funds have been appropriated by the ICCB to help defer tuition costs for high school students enrolled in college-level baccalaureate, business, technical, or health courses. While these funds are not exclusively targeted at dual credit programs, the infrastructure that has been created to support dual credit provides a convenient platform to deliver services related to the ACE grant. Federal funding would assist to significantly expand the scope and depth of this program.

Dual credit in Illinois is in a period of great expansion. Academically talented students now have real opportunities to get a head start on their college careers in academic and career and technical areas. According to a recent survey completed by the Illinois Community College Presidents' Council, there has been a 240 percent increase in dual credit programs at Illinois community colleges over the past two years, and continual growth is expected in the future. Dual credit options offer feasible solutions to the growing concerns about the length of time and the costs of achieving a college degree, such as those raised in a 1996 affordability study by the Illinois Board of Higher Education. They also serve to reinvigorate the senior year experience, ease transitions to college, and direct true curriculum collaboration.



- **TECHSTART ADULT EDUCATION COMPUTER TRAINING PROGRAM**

**Request:** *\$2 million in federal funding to implement the Illinois Community College Board's TechStart initiative.*

TechStart will be a computer training program for the Adult Education population, providing them beginning technology skills related to the Internet and numerous software packages. These skills will allow them to learn in the new technological environments and build a comfort level in working with new computer applications through skillsets developed in the TechStart program. TechStart allows the learner to develop basic computer skills, improve upon and add to them in the new technologically oriented coursework for GED 2002, and step up to greater employment opportunities through their confidence in working in new technological environments.

Learners in the Adult Education population are facing even greater challenges today with technology infusing modern life. Use of technology is apart of every workplace and is now becoming common place in education. Adult learners need to develop technology skills to take advantage of the modernization in education. In Illinois, the GED 2002 is being developed for online delivery.

- **UNDERWRITING NEW INNOVATION IN TECHNOLOGY AND EDUCATION (UNITE)**

**Request:** *\$2 million in federal funding for the Illinois Community College Board's UNITE initiative.*

The Underwriting New Innovation in Technology and Education (UNITE) project will bring parents and children of low-income together as learners to discover, develop, and enhance their technology skills, allowing parents to learn along side their children. Often children are learning how to use technology in school (even if on a limited basis) and possess the capability to teach their parents who probably don't have access to computer technology in the homes. This learning environment will not only help "unite" the digital divide, but also allow families to spend time working and learning together in a non-threatening atmosphere. UNITE will be an engaging family and technology building program that will be modeled across the state of Illinois.

## **Community Colleges**

- **PRAIRIE ACADEMY FOR INFORMATION TECHNOLOGY**

**Request:** *\$600,000 in federal funding over a three-year period for Kankakee Community College's Prairie Academy for Information Technology.*

Kankakee Community College believes it is strategically located to establish the Prairie Academy for Information Technology. With the escalating demand for computer information technicians, KCC plans to develop a training academy to prepare the computer technology workforce, not only for the Chicago metropolitan area, but also for the greater Midwest. The college plans to partner with the University of Illinois and the Illinois Institute for Technology on curriculum development, job placement and a 2+2 associate-to-bachelor's degree completion program. Federal funding is needed to equip state-of-the-art labs, purchase release time for faculty to develop emerging curriculum, and resources to cultivate and develop work-based learning and internship opportunities for students with software companies. Additional costs involve providing resources for college and university staff to meet with west coast software companies and also to provide professional development activities for faculty and staff at collaborating institutions.

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- **NATIONAL CAPABILITY FOR VIRTUAL OFFICE APPLICATIONS**

**Request:** *\$6 million in federal funding to develop a consortium for the collaborative software development of virtual office applications at Parkland College.*

This proposed project would greatly improve collaborative software development across the US and world-wide in the critical area of virtual office technology research and development. The project would involve the University of Illinois-Urbana-Champaign (UIUC), Parkland College, and the Champaign-Urbana high technology businesses through techCommUnity, a dynamic not-for-profit organization consisting of more than 150 members of the Champaign-Urbana business community, the Champaign County Chamber of Commerce, the Greater Champaign-Urbana Economic Partnership, Parkland College, and UIUC.

The purpose of the Capability would be to perform research, development, and education to support the “virtual office” information technology and software development paradigm of the future. The “virtual office” concept is one where telecommuting employees work on software development projects from their homes or other remote places of business in support of team development projects. The concept takes advantage of the latest in information technology as an enabling mechanism for collaborative development environments that will no longer have need for single consolidated facilities. The Capability’s primary goals would be to develop the distributed software development technologies, tools, processes, and education for the next generation of software engineers and managers. The Capability would enable companies worldwide to prepare future graduates and corporations for the evolving trend of telecommuting employees.

- **TONY NOEL AGRICULTURE TECHNOLOGY APPLICATIONS CENTER**

**Request:** *\$419,500 in federal funding to assist in the development of the Tony Noel Agriculture Technology Applications Center at Parkland College.*

Parkland is building a multi-purpose Agriculture Technology Applications Complex to serve the agricultural community in east central Illinois. The Complex will provide an environment for practical application of agricultural technology for agricultural producers and agri-businesses that will enable them to continue to increase yields and the nutritional value of crops, while helping farmers to improve their linkages with local markets.

Features of the Center will include additional classroom space, a 28 station computer lab for instruction on the GPS system and agricultural-related software, a large lab for demonstrating various agricultural equipment, including fertilizer and crop protection material application equipment, global positioning systems (GPS), and geographic information systems (GIS) equipment. This area will also be used for instruction in agriculture mechanization, soil conservation, landscaping, and turf management courses. Additional uses of the center will include a conference-style training room and a diesel Technology wing, including its own classroom and lab, which will provide space for training for this growing portion of the agriculture industry that is vital to helping farmers increase their ability to produce as they use various agribusiness services.

The Agricultural Technology Applications Complex will be accessible to rural, urban, and industry-based populations and will enhance Parkland’s working partnerships with organizations such as the Farm Bureau, various commodity groups, Earth Partners, and the University of Illinois Extension Service. It will also better enable Parkland to meet the growing need for training and retraining of employees of agricultural businesses through the Agriculture Training Institute that began in 1995.

- **PROVIDING HIGH QUALITY INTERNET-BASED TRAINING FOR CHILD CARE PROVIDERS**

**Request:** *\$269,000 in federal funding to provide high quality, internet-based training for child care providers at Sauk Valley Community College.*

Sauk Valley Community College (SVCC) proposes to establish a statewide training program for child care providers that is Internet-based. By offering Internet-based training from acknowledged experts in the field, child care professionals will benefit from state-of-the-art, interactive course offerings through alternative delivery. Course offerings will be made available to providers across the spectrum of child care settings (e.g., in-home; child care centers; Head Start programs; and nursery schools) and will fulfill the existing Illinois certification requirement of 15 continuing education hours (per year) as well as college credit for varying certification levels.

By working closely with the Illinois Network of Child Care Resource and Referral Agencies and the National Association of Child Care Resource and Referral Agencies, SVCC will enhance the quality of training and raise the quality of the state's and region's child care infrastructure. Using distance learning delivery for a focused target group, the College will identify outstanding experts in the field and contract with them to produce sequential and stand-alone instructional components. Both the technical specialist and the program director will be based at the College, and the program will meet the standards, requirements, and assessment processes of comparable instructional programs at SVCC.

• **SAUK VALLEY COMMUNITY COLLEGE THREE-YEAR TECHNOLOGY PLAN**

**Request:** *\$3 million in federal funding to Sauk Valley Community College for the development and implementation of its three-year technology plan.*

Sauk Valley Community College plays a crucial role in training students who proceed to fill some of the region's many current information technology job openings. To do an effective job of training these students, the College must maintain equipment that is current with that used by the students, the College must maintain equipment that is current with that used by the students' potential employers and that enables instructors to offer the best possible pedagogical techniques. SVCC hopes to invest \$500,000 per year of its own funding toward this initiative and is seeking the federal funding to match this spending.

Sauk's technology advisory committee annually updates a three-year technology plan, which becomes an integral part of the College's overall strategic plan. The current plan calls for action in the following areas: add instructional technology enhancements to classrooms, consolidate computer facilities to achieve maintenance and student accessibility efficiencies, keep current with direct instructional equipment and software needs, maintain an appropriate supporting electronic infrastructure, install SCT Banner administrative "Web" software products to improve the quality of service to students, and replace all College microcomputers on a four-year cycle.

• **ALLIED HEALTH BUILDING AT CARL SANDBURG COLLEGE**

**Request:** *\$4.5 million in federal funding for the construction of the Allied Health Building at Carl Sandburg College.*

The Allied Health division of Carl Sandburg College is one of the fastest growing divisions on campus. Since 1994, the College has developed Emergency Medical Technician-Paramedic programs, Mortuary Science, Physical Therapy Assistant, Dental Hygiene, and advanced certificate programs in Diagnostic Imaging. In addition, the College has added through its Cooperative Agreements, Certified Occupational Therapy Assistant and Registered Respiratory Therapy programs. All of these programs have resulted from community representatives approaching the College with needs for employees in these fields that were not currently being met.

Because of this expansion in the Allied Health division, the College is experiencing a severe shortage of physical space to house all of the necessary classrooms and laboratory areas that are needed. Currently, the Mortuary Science Program, which was started in 1996, is housed off-campus to adequately provide space to that program. Space on the main campus would be preferred, however, with the physical constraints the College is experiencing, this is not possible. The Mortuary Science Program is unique in that it is a

statewide program. Only four programs exist to serve the entire state of Illinois, and there are no programs in Iowa, a neighboring state.

Enrollment increases at Carl Sandburg College continue to outpace state averages. Carl Sandburg College has enjoyed a 10.1 percent increase enrollment over the 1985-1998 period.

• **WORKFORCE DEVELOPMENT CENTER CAPITAL PROJECT AT JOHN WOOD COMMUNITY COLLEGE**

**Request:** *\$9.5 million in capital funding for the Workforce Development Center at John Wood Community College.*

The proposed capital project will complement John Wood Community College's new campus in Quincy, Illinois, with a building to house its Workforce Development Center. Currently, there is no centralized location for workforce training, causing the College to schedule around other multiple uses of facilities. The Center will be an eclectic structure combining a number of programs aimed at multiple populations, which share the common goal of becoming productive workers. The building will be used to provide training to tri-state area businesses to upgrade their workforce through the Business and Industry Training Program. It will be used to provide facilities to offer educational opportunities for clients of the Local Workforce Investment Board and Welfare to Work program. The Center will also provide a technologically sophisticated learning environment for secondary students enrolled in the Quincy Area Vocational-Technical Center and other secondary career programs.

The projected cost of the building is \$7 million. Equipment and furnishings are expected to cost \$2.5 million. The Center will be located on the JWCC campus adjacent to its current buildings.



# MILITARY CONSTRUCTION

## ARMY NATIONAL GUARD MILITARY CONSTRUCTION

- **ILLINOIS ARMY NATIONAL GUARD REGIONAL TRAINING INSTITUTE AT CAMP LINCOLN**

**Request:** *Appropriations necessary to fund this \$11.5 million project.*

Currently, the Illinois Army National Guard has the responsibility for training soldiers from throughout the Midwest area in certain Military Occupational Specialties. This facility would allow the Illinois Military Academy to handle a simultaneous student load of 240 in the conduct of the Officer Candidate School, the Non-Commissioned Officer Educational System, Battalion Staff and Commander courses, Company commander courses, and First Sergeant courses. The project has the final design completed and matching state construction funds are currently available.

The current building used for this training dates from 1949 and is inadequate for properly accomplishing required training. The existing barracks date from 1937, the latrine from 1939, and the mess hall from 1950. In addition, all of these buildings that support the student population are in remote, independent buildings, located away from the instruction area.

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## AIR NATIONAL GUARD MILITARY CONSTRUCTION

- **COMPOSITE SUPPORT FACILITY – 183<sup>RD</sup> FIGHTER WING OF THE ILLINOIS AIR NATIONAL GUARD**

**Request:** *\$9.5 million for construction; Funding for the project moved from FY04 on the Air National Guard Future Year Defense Plan to FY02.*

The Composite Support Facility at the 183<sup>rd</sup> Fighter Wing of the Illinois Air National Guard, located at Capitol Airport in Springfield, would house a medical clinic and dining facilities. The current facility is 25% below recommended square footage required to house assigned personnel and functions. In addition, the units are over 30 years old. The new facility would be a 26,300 square foot building that would replace these current buildings, which fail to accommodate the present needs.

Also included in this project is the renovation of the Wing HQ building. The new building and renovation would alleviate overcrowding, and provide consolidation of HQ functions, readiness functions, and the physical fitness center.

# TRANSPORTATION

## HIGHWAYS AND SURFACE TRANSPORTATION

### Interstate Maintenance Program

- **STEVENSON EXPRESSWAY**

**Request:** *Illinois seeks an earmark of \$27 million to continue to work on the Stevenson Expressway reconstruction.*

Illinois is in the final stages of a \$567 million project to reconstruct the Stevenson Expressway, a key artery connecting Chicago and the area's southwest region. It is vitally important to both passenger and commercial traffic, with traffic growing by 10 percent over the last four years to a current level of 135,000 vehicles per day. It is also one of the nation's heaviest truck routes, currently carrying in excess of 24,000 trucks per day. Prior to beginning the project it was in a state of serious decay and major reconstruction was urgently needed. As a result, IDOT has been undertaking a \$567 million project to reconstruct 15 miles of the expressway from I-294 to I-90/94. To date, Illinois has obligated more than \$480 million of state and federal funds for construction, engineering, advance work and improvements to alternate routes.

- **VETERANS PARKWAY, NORMAL**

**Request:** *Illinois requests an earmark of \$22 million for the reconstruction of the interchange of I-55 and Veterans Parkway in Normal, Illinois.*

The reconstruction of this interchange is needed to make safety improvements and add capacity to facilities that can no longer be rehabilitated. The work on this interchange also includes replacing a bridge. The interchange connects I-55 to Veterans Parkway, which is a four-lane arterial serving extensive commercial development on the east side of Bloomington-Normal. Veterans Parkway carries 22,000 vehicles a day at the interchange and up to 41,000 a short distance away at the center of the commercial activity.

- **MOKENA INTERCHANGE**

**Request:** *Illinois seeks an earmark of \$21 million for the reconstruction of the interchange of I-80 and US 45 near Mokena, Illinois.*

The interchange and approaches require a comprehensive reconstruction along with operational improvements in order to safely and efficiently handle much higher traffic loads than were anticipated in the original design. It is also substandard in terms of geometry and condition. In addition, major development in the surrounding area has generated substantial traffic increases on US 45. The reconstruction will fix serious deficiencies in the condition and operation of this interchange.



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**Discretionary Bridge Program****• WACKER DRIVE**

**Request:** *Illinois seeks \$49.6 million to complete work on the reconstruction of the East-West portion of Wacker Drive.*

Wacker Drive is located in downtown Chicago. It is a two-mile, two-level road originally built in 1926 and carries 60,000 vehicles per day. The upper level is important for distributing traffic within the central business district. The lower level is also a major thoroughfare and provides crucial freight access for all adjacent buildings. The upper level is currently posted for a 15-ton weight limit. Because of its deteriorated condition and outmoded design, a major reconstruction is required. The total cost of this project is over \$237 million.

**• INTELLIGENT TRANSPORTATION SYSTEMS**

**Request:** *Illinois requests an earmark of up to \$50 million for ITS deployment funds to assist in financing ITS projects throughout the state.*

Funding for ITS will aid IDOT in implementing priority projects which enhance the effectiveness and efficiency of the transportation system in Illinois. ITS technologies are aimed at solving congestion and safety problems, improving operating efficiencies in transit and commercial vehicles and reducing the environmental impact of growing travel demand. Illinois is a pioneer in the ITS field, both in terms of research and applications. The actual project list for FY02 is being developed.

**National Corridor Planning and Development Program****• STEVENSON EXPRESSWAY**

**Request:** *Illinois seeks up to \$27 million for the I-55 Corridor Stevenson Expressway reconstruction.*

The Stevenson Expressway carries 135,000 vehicles per day including 24,000 heavy trucks. Within a two-mile wide corridor along the Stevenson Expressway, there are 13 major intermodal terminals which generate an estimated 3 million truck moves each year. It is a critical component of the Chicago regional expressway system. Prior to beginning the project, the Stevenson Expressway had exceeded its design life and carried over four times the traffic it was designed to handle. Illinois appreciates the \$3.8 million appropriation from this program in FY01.

**• ALTON BYPASS**

**Request:** *Illinois seeks \$15 million to continue work on the U.S. 67 Corridor Alton Bypass in the St. Louis Metro-East area.*

This project serves the St. Louis Metro-East area of Illinois. This funding will allow IDOT to continue work to construct the Alton Bypass, a new four-lane, access controlled highway between I-255/I-270 and IL 267 north of Godfrey. This new road will provide an interstate-design highway to serve the existing and future transportation needs in the Metro-East region and will relieve congestion and improve safety on existing arterial highways in the area.

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**Transportation and System and Community Preservation Pilot Program****• PARSONS PLACE, EAST ST. LOUIS**

**Request:** *Illinois supports an earmark of \$1.4 million for the Parsons Place Community Development Project in East St. Louis, Illinois.*

Parsons Place is a transit-oriented development that will link with other development projects in the vicinity of MetroLink's Emerson Park station to provide a foundation for the preservation of the residential and commercial community. The public-private venture has a total cost of \$25 million. The cost of public improvements associated with this project is \$4 million of which \$1.4 million is requested from the TSCP program.

**• SINGLE STATE REGISTRATION SYSTEM (SSRS)**

**Request:** *Maintain the SSRS.*

SSRS is a registration program used by 38 states to monitor interstate truckers and ensure they retain appropriate insurance. The states collect about \$105 million in annual fees from this program, of which Illinois receives \$3.5 million. SSRS is a successor to an onerous interstate trucking registration system that the states administered for thirty years. SSRS is a simple system whereby truckers file a single registration from with their home states and receive credentials for all states they operate in. A fee accompanies each company's registration and the home state distributes the funds to the other states the trucker will operate in.

SSRS took the place of the old "Bingo Stamp" program, and represents a quantum improvement in simplifying trucking registration. It also forms the basis of an innovative new State-private sector program for electronic insurance filing.

## TRANSIT

### • METRA

**Request:** *Illinois supports Metra's request of \$100 million for continued work on three projects; the North Central Service, the Union Pacific West Line and the SouthWest Service.*

Metra is the nation's second largest commuter rail system, operating 3,836 revenue trains and providing well over 1.5 million individual rides each week. The agency received \$35 million last year for its three projects. In addition, Metra received a commitment of \$269.1 million to us for future funding needs. This year Metra is seeking \$100 million for these projects which are described below.

Service levels on the North Central Service Line, which extends for 53 miles between Antioch, Illinois and downtown Chicago, are constrained because the line is only a single-track for much of the route and the double-track segment is shared with another commuter line and with freight trains. In order to meet demand for service, Metra will use New Starts funds to double-track the single-track portion, upgrade the double-track portion and modify station platforms.

New Starts funds will also help finance the \$61 million extension of Metra's Union Pacific West Line, which extends from downtown Chicago to Geneva, Illinois. An extension of this line is needed to effectively serve the increasing development west of the Fox River and to relieve the parking problem in Geneva. These planned developments will improve and extend commuter rail service in a highly developed and growing region, which will in turn help reduce highway congestion and contribute to cleaner air.

The SouthWest Service Line is now a limited service line extending 29 miles from downtown Chicago to Orland Park, Illinois, serving the southwest areas of Cook County. Ridership on the SouthWest Service increased by nearly 50 percent between 1986 and 1995. New Starts funds in FY02 will also help fund the \$120 million first phase of the overall plan to upgrade and extend service on this line.

### • CHICAGO TRANSIT AUTHORITY

**Request:** *Illinois supports the CTA's \$275 million request for continued work on the Douglas Branch (Blue Line service) and the Ravenswood (Brown Line service).*

The CTA continues to pursue funds to completely reconstruct the Douglas Branch of the Blue Line and extend the platforms and increase passenger capacity on the Brown Line. Both of these projects are authorized for funding for final design and construction under TEA-21. In FY01, CTA received \$15 million in federal funds to carry out engineering for both projects. The match for these funds and future federal funds will come from money provided by Illinois FIRST, the state's infrastructure funding program.

The Douglas Branch of the Blue Line, which was built between 1895 and 1912, serves 27,000 passengers daily. Yet, the track and structure, and many stations, are in an advanced state of deterioration. Because of its age and deteriorating infrastructure, operating speeds have been reduced considerably along the six-mile route. Without adequate funding, the CTA would have to close the Douglas Branch, taking away the only transportation option for many residents. The Blue Line needs \$245 million in New Starts funds for FY02.

Over the past 20 years, the CTA's Ravenswood/Brown Line has enjoyed a steady growth in ridership. However, the CTA cannot accommodate the demand for service because station platforms cannot accommodate 8-car trains. CTA needs \$30 million in New Starts funds in FY02 for the Brown Line to lengthen station platforms, make yard improvements to handle longer trains and straighten tight S-curves that slow operations. When the project is complete, the Brown Line capacity will be increased by 25-30 percent.

- **METROLINK**

**Request:** *Illinois supports the Bi-State Development Agency's request of \$31.5 million for the extension of MetroLink eastward in St. Clair County.*

The project serves St. Clair County in the St. Louis Metro-East area. Bi-State Development Agency (the bus and light rail service provider in the St. Louis region) executed a Full Funding Grant Agreement with the Federal Transit Administration covering the extension of the existing line from East St. Louis to Belleville Area College in October 1996. The \$31.5 million requested is the FY02 and final allotment in the existing full funding grant agreement.

- **BUS AND BUS RELATED FACILITIES**

**Request:** *Illinois supports an earmark of \$36.5 million of Bus and Bus Related Facilities funds for the purchase of buses and transit facilities in downstate Illinois, and for the RTA/Northeastern Illinois.*

This funding is a crucial supplement to transit formula funds, which are inadequate to meet all bus capital needs. This money would be used to replace buses and build transit facilities downstate. The State of Illinois appreciates the \$6.3 million appropriation that was provided in the FY01 appropriations bill.

## RAIL

### • **NEXT GENERATION HIGH-SPEED RAIL**

**Request:** *Illinois supports an earmark of \$3.45 million for continued development of positive train control in Illinois.*

The State of Illinois, the Federal Railroad Administration (FRA) and the Association of American Railroads (AAR) are sponsoring a Positive Train Control (PTC) demonstration using satellite-based Global Positioning system. The pilot project, the first in the nation, will provide a layer of computer supervision of the train operator with real-time train location information continuously forwarded to the central office. The system will increase the capacity of rail lines and will allow high-speed passenger trains to operate on lines with slower speed freight trains more safely. The requested funding is the FRA's FY 2001 share of the \$60 million project which has the AAR contributing \$20 million and the state of Illinois \$12 million. The project system testing is expected to be completed by 2002, at which time 110 mph revenue passenger service could begin.

### • **RAIL GRADE CROSSINGS**

**Request:** *Illinois supports an appropriation of \$15 million for elimination of hazards the rail grade crossing program authorized in TEA-21, and specifically requests \$9 million for use in Illinois.*

Section 1103(c) of TEA-21 authorized \$15 million per year in general funds for railway-highway crossing hazard elimination in high-speed rail corridors. Congress is being asked to appropriate these funds in FY 2002 in order to assist states in improving rail-highway crossings. (This is in addition to the \$5.25 million authorization from the Highway Trust Fund for grade crossings). Illinois can use \$3 million of these funds in FY 2001 to assist in improving crossings on our high-speed rail corridor between Chicago and St. Louis and \$6 million for the construction a grade separation on Pontoon Road in Granite City, Illinois.

### • **ILLINOIS COMMERCE COMMISSION (ICC) RAILROAD SAFETY EDUCATION AND ENFORCEMENT**

**Request:** *Illinois seeks \$1 million in funding for a Railroad Safety Education and Enforcement pilot project.*

Currently, the ICC receives no federal dollars for railroad safety. New federal funds would go toward a statewide railroad safety education and enforcement campaign to be coordinated by the ICC. The campaign would involve the creation of safety videos/PSAs, school visits, increased focus on rail safety in drivers education curriculum, continued piloting of photo-enforcement, and hands-on, community-specific information blitzes.

Instead of the one-size-fits-all approach of the FRA rules, the Illinois Delegation has suggested Illinois take on such an education and enforcement plan as described above to show what can be done on railroad safety without such harsh whistle rules. The ICC is currently seeking a legislative change in Illinois that would allow the ICC to use \$500,000 in Grade Crossing Protection Fund dollars for education and enforcement. These funds could be used as a match to federal dollars.

## HAZARDOUS MATERIALS

• **ILLINOIS STATE POLICE COMMERCIAL VEHICLE UNIT**

**Request:** *The Commercial Vehicle Unit of the Illinois State Police is requesting \$3,057,000.*

The breakdown of this requested annual appropriation is as follows:

CDL for MCS Fund (P. A. 91-537)	\$2,200,000
Commercial Vehicle Enforcement Program	
CVEP Details	\$300,000
Hazardous Materials Details	\$130,000
Load Securement Details	\$100,000
Defect Verification Details	\$100,000
Motor Coach Inspections Details	\$50,000
Commercial Vehicle Valkyrie Details	\$30,000
Enhanced Radioactive Materials Training	\$50,000
Bus Inspection Training	\$15,000
Radiation Monitoring Equipment	\$82,000

The Hazardous Materials Transportation Act of 1977 authorized the Illinois Department of Transportation (IDOT) to adopt and enforce federal regulations concerning highway transportation of hazardous materials. Through an interagency agreement with IDOT, enforcement of these regulations was granted to limited groups of ISP officers.

Today, CVU has functional control over 89 Commercial Vehicle Enforcement Officers who are trained to perform the job function previously handled by a hazardous material and motor carrier safety officer. In addition, the Unit manages 32 fixed-scale locations which are staffed by 67 Truck Weighing Inspectors and 12 sets of semi-portable scales operating daily throughout the State. CVU provides training, administrative support, and technical expertise to Division of Operations personnel in areas related to motor carrier safety, hazardous materials transportation, and size/weight issues. Field activities and inspection totals are monitored to ensure maintenance of effort figures are met and staffing levels mandated by a \$5.5 million MCSAP grant are achieved.

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## AVIATION

### • SOUTH SUBURBAN AIRPORT

**Request:** *Language reinstating the National Plan for Integrated Airport Systems (NPIAS) and language urging the Secretary of Transportation to process the Environmental Impact Statement (EIS) in a timely and expeditious manner.*

The NPIAS is compiled by the Federal Aviation Administration (FAA) and identifies planned airport improvements needed for meeting aviation demand. Inclusion in the NPIAS is a prerequisite for receiving federal funds. After including Chicago's Third Airport (C3A) in the NPIAS since the 1980's, in 1997 FAA unilaterally dropped C3A from the NPIAS. Illinois appealed the FAA action, but FAA refused to restore C3A to the NPIAS.

In 1998, Illinois concluded and submitted to the FAA all the environmental work for C3A. Under federal law, FAA is responsible for reviewing this work and writing the EIS. Illinois is waiting for this work to commence. Once such a submittal is received the FAA should act expeditiously to process the C3A environmental work.

In the meantime delays and congestion have continued to grow at existing Chicago airports. In 1999, the Illinois General Assembly earmarked \$75 million to begin protecting and acquiring land for the South Suburban Airport, and the Illinois Department of Transportation has begun the land acquisition process.

# VETERANS' AFFAIRS, HUD AND INDEPENDENT AGENCIES

## VETERANS' AFFAIRS

### • VA STATE HOME CONSTRUCTION GRANT PROGRAM

**Request:** *Maintain or increase the FY01 funding level of \$100 million to reimburse the State of Illinois for more nearly \$11 million it is owed from the program since 1994 and to provide funding for new programs scheduled to begin in FY02.*

The federal government provides reimbursement to states for the new construction or remodeling of veterans' homes if the project is designed to increase capacity, improve life or safety or ancillary services that directly impact the residents' quality of life. The program reimburses up to 65% of the costs. The State of Illinois would like to have sufficient federal dollars available to fully fund the backlog of approved grant applications to the VA State Home Construction Grant Program. Currently, the Federal VA owes \$10,926,200 for new construction or remodeling projects, which date back to 1994. The increased funding levels will help eliminate some of this deficit.

### • VA PER DIEM PAYMENTS TO STATE VETERAN'S HOMES

**Request:** *Increase the per diem payments to State Veterans Homes.*

For each resident in our Veterans' Homes, the Federal VA reimburses the State of Illinois \$50.55 each day for nursing care and \$21.43 for domiciliary care. In FY01, the per diem rate for nursing care will increase from \$50.55 a day to \$51.38 (1.6%). The rate for domiciliary care will increase from \$21.33 per day to \$22.93 (7%). In FY00, the State of Illinois received approximately \$17,217,481 in per diem reimbursements from the Federal VA for nursing home care and \$469,852 in domiciliary care. The anticipated increases for FY01 will result in projected \$245,198 increase in reimbursements for the State of Illinois.

### • VETERANS ADMINISTRATION DEMONSTRATION PROJECT AT THE UNIVERSITY OF ILLINOIS-CHICAGO

**Request:** *\$1 million for patient care services for a VA Demonstration project at the University of Illinois-Chicago.*

The demography of the population of veterans served by the Veterans Healthcare Administration predicts an inexorable decline in the population. VHA currently operates 170 hospitals across the United States at an annual cost of approximately \$18 billion, and the political obstacles to closure of any of them are formidable.

UIC recommends an approach as an alternative delivery model to convert existing VHA facilities, especially those in large metropolitan areas, to outpatient clinics within minimal inpatient capability (maximum stay of 72 hours). A partnership with the affiliated medical center could be constructed to provide all other services requiring inpatient care, particularly those that are relatively low volume and high cost.



## HUD

- **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**Request:** *Support continued funding of the Small Cities Community Development Block Grant Program (CDBG) at the current level of \$4.4 billion.*

In FY 2001, Congress approved an increase of \$174 million (approximately 4%) in the net formula funding for CDBG from the FY00 (\$4.2 to \$4.4 billion). As a result of the increase, the State of Illinois will receive an increase of approximately \$1.5 million. The State of Illinois FY01 allocation from HUD is \$39.4 million.

The State of Illinois administers the Community Development Assistance Program (CDAP) through CDBG funds and provides grants to units of local governments with populations of 50,000 or less, which are not located in entitlement areas receiving funds directly from HUD. In FY00, the CDAP program awarded 168 grants to units of local government to help finance public facilities, attract new business, provide housing rehabilitation, and comply with the ADA.

- **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM—SET ASIDE ELIMINATION**

**Request:** *Support the elimination of set asides from the State Community Development Block Grant Program (CDBG). This would increase the funding for state's localities to use to fund more projects for public facilities, economic development, and housing rehabilitation.*

The Community Development Block Grant Program (CDBG) is used in Illinois to finance public facilities and attract new business, along with housing rehabilitation and economic development in rural communities. The Department of Commerce and Community Affairs receives about \$39.4 million annually from HUD to administer the program. Each year, through the appropriations process large amounts have been set aside or line itemized for special programs from this fund which continues to reduce the State's allocation. Set asides in the FY01 budget increased \$647 million from \$564 million in FY00.

- **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM—INCREASE IN STATE ADMINISTRATION FUNDS**

**Request:** *Support an increase in Community Development Block Grant (CDBG) administration funds from 2% to 5%.*

HUD rules provide for states to take 2%, plus \$100,000 for administration of the CDBG program (24 CFR Part 570.489). HUD continues to impose additional administrative requirements on States such as the lead-based paint rule, continued preparation of the Annual Performance Report, along with implementation of IDIS, Section 3 reporting and others. Since HUD programs are generally more labor intensive, there is a need for additional funds to implement HUD requirements. The State of Illinois encourages an increase in the administrative dollars.

- **SECTION 8 RENTAL ASSISTANCE PROGRAM**

**Request:** *Support continued funding of the Section 8 Rental Assistance Program with appropriations of at least \$10.54 billion nationwide, including renewal of expiring funding and new appropriations.*

The Section 8 Rental Assistance Program provides rental assistance to Section 8 landlords on behalf of very low-income tenants, by way of rent subsidy certificates. The Illinois Department of Commerce and

Community Affairs (DCCA) processed 315 vouchers in 1999, and has approximately 45 landlords and 100 low-income persons on the waiting list.

- **HOME OWNERSHIP MADE EASY (HOME) PROGRAM FUNDING**

**Request:** *Support an increase in the federal appropriation for the HUD-funded HOME Program.*

The HOME Program is a housing block grant administered by State and local governments. The Illinois Housing Development Authority (IHDA) is the administering agency in Illinois. In FY01, the program was funded at \$1.8 billion nationwide, of which Illinois received approximately \$86.8 million to assist approximately 5,585 households. Typically, the program provides for a variety of funding for local housing projects that are not addressed by local Community Development Block Grant (CDBG) programs, or other sources.

The HOME Program is an example public/private partnerships program with strong bipartisan support. Public agencies, non-profit organizations, and for-profit developers have very successfully used this block grant program. The funds have been utilized to build and maintain affordable housing and to expand homeownership opportunities.

- **EMERGENCY SHELTER GRANTS PROGRAM**

**Request:** *Maintain full funding of at least \$1.025 billion nationwide in appropriations and support the consolidation of McKinney Homeless Assistance Programs, along with legislation that would block grant the programs to state and local government.*

The U.S. Department of Housing and Urban Development provides funding annually through the Stewart B. McKinney Act for Emergency Shelter Grants. This program was funded at a slight increase in FY01 from \$1.020 billion to \$1.025 billion. Illinois' allocation increased from \$2,353,000 in FY00 to \$2,375,000 in FY01.

In FY00, Illinois awarded 69 grants designed to improve the quality of existing emergency shelters for the homeless to units of general local government or not-for-profit organizations with 501(C) status providing services outside of Cook County. The Council of State Community Development Agencies (COSFDA) supports the concept of consolidation.

## ECONOMIC DEVELOPMENT

- **SOUTH CAMPUS RETAIL INCUBATOR AT UNIVERSITY OF ILLINOIS-CHICAGO**

**Request:** *\$400,000 in capital development funds for the 4,000 sq. ft. incubator portion of the development at the University of Illinois-Chicago.*

More than 40 businesses currently occupy the space in the area of UIC's south campus development, part of the Maxwell Street area. Many of these businesses will be using university funds for relocation. The proposed retail incubator would designate approximately 4,000 square feet of the total 120,000 square feet of the retail portion of the development to accommodate two to four businesses with rents lower than the proposed market rate. Businesses in the incubator would be partially integrated with other businesses in the retail development so that it would be difficult to distinguish an incubator business from any other.

- **INSTITUTE FOR URBAN RESEARCH AT SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE**

**Request:** *\$950,000 in FY02 for the Institute for Urban Research at Southern Illinois University Edwardsville (SIUE)*

The purpose of the SIUE Institute for Urban Research is to address significant health and welfare issues concerning the Illinois region of metropolitan St. Louis (Metro East). The project will be conducted in collaboration with federal, state, and local governmental units, non-profit organizations, business and labor leaders, and community groups. The specific goal of the Institute for Urban Research is to develop, test, implement, and disseminate an innovative urban partnership model for a more unified, proactive, and efficient system for addressing urban health and welfare problems. The project will utilize the Metro East region as a laboratory to research and test models of partnership.

The institute for Urban Research's short-term objective is to identify and analyze the barriers that exist with regard to the effective management of multiple streams of funding from a variety of sources and to develop recommendations regarding ways to effectively consolidate service delivery for health and welfare programs. The Institute will allow SIUE to collaborate with its urban partners—governmental, academic, and constituency based—to produce reliable information and state-of-the-art intervention models that are necessary to help community leaders address these complex issues.

## EMERGENCY MANAGEMENT

### • EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG) FUNDS

**Request:** *IEMA requests support for \$10 million increase for FEMA for funding State and local emergency management programs through the Emergency Management Performance Grant (EMPG). IL's additional share would be approximately \$350,000. This additional grant funding would be earmarked for establishing a permanent staffing of disaster recovery programs for Illinois. The FY01 national funding level was \$116.8 million, with IL receiving \$3.5 million.*

Illinois' disaster recovery capability is currently funded out of federal disaster assistance programs. The system presently only permits hiring for disaster assistance *after* a disaster occurs. In order to process timely disaster payments to individuals and to units of government following a disaster declaration, IEMA must rely on temporary contractual employees. There is a need to establish within IEMA a disaster recovery capability consisting of permanent, full-time employees dedicated to administering state and federal disaster assistance.

IEMA receives EMPG funding for personnel and administrative expenses of its staff and passes through an equal federal share to local governments for maintaining a capability to prepare for and respond to disasters and emergencies. In order to provide a standard of performance excellence in administering disaster recovery, IEMA needs a steady flow of funding to ensure consistent, reliable staffing. In the past three years, IEMA has lost key contractual staff hired under previous disaster declarations. Those people don't just go home and wait for us to call the next time a disaster strikes. Lack of training new people in those key oversight positions hampers an effective response.

## ENVIRONMENTAL PROTECTION AGENCY

### • CLEAN LAND PROGRAM

**Request:** *\$5 million annually in federal funding to augment the state's Brownfields Redevelopment Grant program.*

Currently, under the state's grant program, grants are issued to municipalities for brownfields assessment and investigation activities. Municipalities may receive up to \$120,000 in state funds, which require a 30 percent municipal match. Funding for this program is limited to \$6 million and the program sunsets in 2002. Additional funding is needed to augment the state's grant program to assist communities with closed industrial sites. The federal funding would be used to increase the \$120,000 grant limit per municipality, to reduce the municipal match burden and to extend the life of the program beyond 2002.

Additional funding is also needed to allow the Agency to issue more grants to communities to redevelop abandoned properties with underground storage tanks. These properties are usually small, limited to petroleum contamination, and located in business districts and near residential areas. Usually, the investigation, cleanup, and sale of these properties is not as complex or as lengthy as with a closed industrial plant, which makes underground storage tank sites appealing to cities inexperienced with the environmental, legal, and financial issues surrounding brownfields. To date, 40 percent of state grant recipients have chosen to apply these funds at sites with underground storage tanks.

### • CLEAN WATER PROGRAM

**Request:** *At a minimum, maintain the \$1.35 billion annual federal funding for the wastewater loan program, in which IL will receive approximately \$61 million (which is level funding). Also, appropriate at the \$1 billion authorized funding level for the drinking water loan program, which would bring IL's share to \$33 million (an increase of \$6 million).*

The federal FY01 budget includes \$1.35 billion for the wastewater loan program. This level of funding reflects the same level of funding as appropriated in recent years. This level of funding will allow Illinois to continue to receive approximately \$61 million in federal capitalization funding for wastewater loans to local governments. Illinois will need to continue to provide \$12 million (20 percent) in state match funds.

The federal FY01 budget includes \$825 million, a \$5 million increase over the FY00 appropriations, for the drinking water loan program. Even with the increase in FY01, Congress still falls short of appropriating funds for this program at the authorized level. In FY01, Illinois will receive \$27 million in federal capitalization funding. If this program were appropriated at the authorized level, Illinois would receive an additional \$6 million, for a total of \$33 million in federal funds being available for loan assistance to local governments. The State must provide a 20 percent match to the federal capitalization funding.

### • WATER POLLUTION CONTROL PROGRAM

**Request:** *Request an appropriation of \$248 million (an increase of \$75 million annually), to fund new federal mandates in the water pollution control program. In FY01, IL received \$4.6 million, which was an increase of \$1.5 million over FY00. Of the \$75 million increase in FY02, IL would receive approximately \$2 million.*

Illinois must develop and implement TMDLs for nearly 750 water bodies over the next thirteen years. We must also implement new permitting requirements that pertain to storm water pollution control and animal feeding operation. In FY01, \$172 million was appropriated for state core water quality management programs funded through section 106 of the Clean Water Act. This represented a \$57 million increase over the FY00 federal budget. Illinois will receive approximately \$1.5 million of this increase. The

FY01 increase was a good first step in providing sufficient funding to meet federal mandates. Illinois needs an additional \$2 million annually to fully implement all of the new federal requirements.

- **SAFE DRINKING WATER ACT**

**Request:** *Request an appropriation of an additional \$57 million annually for state public water system supervision programs under the Safe Drinking Water Act. It would bring the total to \$137 million, of which IL would get approximately \$4.5 million (an increase of \$1.7 million).*

Federal funding for state PWS core programs has not increased since FY97 while federal drinking water rules continue to expand. The FY97 funding level was \$90 million, and IL's share of the money was \$2.8 million. Major new or pending regulations include standards for radon, arsenic, groundwater, disinfection byproducts, and radionuclides as well as increased public water supply capacity assurance programs. Without a substantial increase in funding, Illinois will not be able to fully implement these expanded federal mandates. This increase would bring total funding for state programs to \$150 million annually, and provide Illinois with \$4.5 million, an increase \$1.7 million increase.

- **TUNNEL AND RESERVOIR PROJECT (TARP)**

**Request:** *Illinois supports an appropriation of \$15 million in FY02 for the EPA to continue work on the Tunnel and Reservoir Project (TARP).*

The completion of these projects, with their direct improvements in flood protection and water pollution control, will have a significant impact on reducing the amount of Lake Michigan diversion water required for dilution purposes. This reduction in dilution water will greatly improve Illinois ability to provide for the future water supply needs of the northeaster Illinois area.

- **NONPOINT SOURCE POLLUTION CONTROL PROGRAM**

**Request:** *At a minimum, maintain the \$238 million annual federal funding for the nonpoint source pollution control program.*

Federal funding for the nonpoint source pollution control program was increased from \$200 million in FY00 to \$238 million in FY01. Illinois will receive approximately \$9.7 million annually to implement this program. The majority of the federal funding is passed through to local entities to implement watershed protection and restoration initiatives.

- **ENVIRONMENTAL RESEARCH AND OUTREACH PROGRAMS AT THE UNIVERSITY OF ILLINOIS-URBANA-CHAMPAIGN**

**Request:** *Illinois supports funding of the Midwest Technology Assistance Center at \$700,000 annually for five years.*

The concept of this program is to build upon existing federal and state partnerships to help Illinois communities and agencies address issues of natural resource development and protection. In partnership with the U.S. Environmental Protection Agency, in 1998, the Midwest Technology Assistance Center (MTAC) was formed at the University of Illinois to help small communities solve problems with safe drinking water supplies.

The State of Illinois and its cities are committed to sustainable economic development or redevelopment that does a better job of protecting natural resources. Through more adequate funding for research and outreach programs, the University will help Illinois citizens find and implement solutions to major natural resource and environmental issues.

By strengthening this partnership program, in conjunction with the Illinois-Indiana Sea Grant Program and the Illinois Water Resources Center, the proposed research and outreach will improve knowledge of Illinois' natural resources and their wise use in economic development.

• **MIDWEST TECHNOLOGY ASSISTANCE CENTER FOR SMALL PUBLIC WATER SYSTEMS**

**Request:** *\$1 million for each of the following FY: FY02, FY03, and FY04. It is authorized under USPEA, Section 1420-F, 1996 Revisions of the Safe Drinking Water Act; Office of Water: Office of Ground Water and Drinking Water, Small Systems and Capacity Development. The Center is authorized through FY03. It was funded at \$500,000 in FY01.*

The Midwest Technology Assistance Center for Small Public Water Systems (MTAC) is one of five competitively selected Centers established in 1998 by the USEPA under section 1420(f) of the 1996 Safe Drinking Water Act Amendments to address needs of small public water systems and Native American water systems. The Midwest Center is a cooperative effort between the Illinois State Water Survey and the University of Illinois. The Center received funding in FY99 but none in FY00. In FY01, it was funded at approximately \$500,000 along with seven other such Centers in the country.

The Midwest contains over 20% of the small community water systems in the United States. Over 90% of the violations of the drinking water regulations occur in small systems, because of the lack of technically-trained staff and economic resources. Illinois has more than 1400 small public water systems, serving more than a million Illinoisans in largely rural communities. The ability of the MTAC to continue assisting small communities in Illinois and throughout the Midwest will depend upon a federal appropriation in FY01.

• **RCRA UNDERGROUND STORAGE TANK PROGRAM**

**Request:** *The Illinois State Fire Marshall supports continued full funding of the USEPA RCRA (PL 94-580) Underground Storage Tank program. This program has brought \$186,000 to the Agency and, most likely, more federal funds to the Illinois Environmental Protection Agency.*

These funds are used to support the operational costs of the Agency in administering the statewide Underground Storage Tank program.

Petroleum marketers, owners of underground storage tanks, the Illinois EPA and others associated with issues addressing underground storage tanks would support the Agency's continued use of these funds.

The Agency has already submitted an application for a grant award for FY01, and USEPA has already acknowledged receipt of the application. The request totaled \$248,000, with the federal and state shares identified as above.

The Agency (through the Division of Petroleum and Chemical Safety) has submitted a pre-proposal to the USEPA Office of Enforcement and Compliance Assurance for development of a database management system that would be accessible to interested parties, such as Agency staff (field inspectors, legal counsel, etc.), the Office of the Illinois Attorney General, USEPA, Illinois EPA and others. Federal assistance would total \$75,000, and state contributions (from the Agency's operating budget) would be approximately \$56,000. As of today, USEPA is still reviewing proposals and no decisions are forthcoming.

• **PILOT REGIONAL ACCELERATOR DIFFUSION OF POLLUTION PREVENTION TECHNOLOGY (ADOPT2) PROGRAM**

**Request:** *Appropriate \$5 million to the Waste Management and Research Center (WMRC) through the University of Illinois-Urbana-Champaign. WMRC will work with selected states and businesses to implement a program proved capable of yielding an eightfold rate of increase in the adoption of innovative pollution preven-*

*tion technologies. Several other states (e.g., Iowa, Minnesota, Kentucky, Pennsylvania and Georgia) have developed limited technical capabilities and are planning to follow the ADOP2T implementation model that has been proven at WMRC. Funding for this program should be included in USEPA's appropriation.*

WMRC works with the University of Illinois to fund pollution prevention technology programs in other states participating in this pilot effort. This pilot program would last for 5 years. The results of this program will be shared with all states so that pollution prevention technologies can more effectively be implemented throughout the country.

Many businesses have been slow to adopt some of the most effective, innovative pollution prevention technologies. WMRC recently implemented an effective approach which greatly increased the rate of adoption of these technologies by businesses, specifically electroplaters in the Chicago area (from 10% to 80%).

A key element of this strategy is to conduct in-plant technology demonstration projects with industry leaders to document performance and to resolve complexities and perceived incompatibilities. The demonstration companies are required to mentor other companies. Once leading companies adopt these technologies other companies quickly follow suit and the performance of the entire industry sector is improved, leading to increased productivity, greater process efficiency and reduction in hazardous waste generation, air pollution and waste-waters. Natural resources are conserved including feedstock chemicals and water. Typically over 90% of some wastes are eliminated, the quality of products is improved, and the companies are more competitive.

- **CLEAN AIR PROGRAM**

**Request:** *\$1 million annually, over a five to seven year period, to fund the Lake Michigan Air Directors Consortium (LADCO) to continue with ozone modeling and to begin a regional strategy group for particulate and haze assessment.*

Currently, direct federal funding is not available for these activities and states have had to reallocate funding from their Clean Air program to fund these efforts. A decrease in federal funding for the Clean Air program, coupled with the state having to use Clean Air program funding for LADCO, has significantly reduced the level of federal funding available to the state for clean air activities. The benefit of increased funding to Illinois is that by sharing in the cost of a regional analysis of air quality issues, we will ensure for our state the opportunity to develop the most optimum control strategies with respect to cost and air quality improvements.

- **VILLAGE OF JOHNSBURG (McHENRY CTY.) WASTEWATER CONVEYANCE AND TREATMENT SYSTEM**

**Request:** *Seek \$8 million grant from the EPA in the VA/HUD Appropriations bill under the "State and Tribal Grant Assistance" account for a new wastewater conveyance and treatment system in the Village of Johnsburg, IL.*

The requested grant is expected to be offered with the USEPA's traditional 55% federal and 45% local cost arrangement. This cost share arrangement will result in the typical residential user paying \$472/year and a one time \$2000 hookup and septic tank abandonment fee for wastewater conveyance and treatment service.

The Village of Johnsburg is the wastewater authority responsible for management of wastewater infrastructure in an area known as the Johnsburg Facility Planning Area. The overall objective of the project is to reduce the direct and indirect discharge of raw wastewater on to the surface and into the Fox River. By funding this project, the current and future wastewater flows originating in the service area will be properly conveyed and treated. The project has been studied and developed over a five-year period, and plan-



ning and design are in the process of being completed with local resources. The project is not affordable without the requested grant.

This project is very critical due to the importance of reduction of raw and partially treated wastewater discharge to the Fox River, just below the State's prized water resource known as the "Chain O' Lakes". The "Chain O' Lakes" and the adjacent Fox River, is the busiest inland water way in the nation.

## NATIONAL SCIENCE FOUNDATION

- **ENVIRONMENTAL RESEARCH INSTITUTE AT SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE**

**Request:** *\$1.15 million for the Environmental Research Institute at Southern Illinois University Edwardsville.*

The purpose of the Environmental Research Institute is to provide research on the impact of environmental problems on natural and human ecosystems, including agriculture, forests, and their associated biodiversity. The Institute will have a special focus on the impact of environmental problems on human health and welfare concerns. The research and data generated by the Institute will be valuable to policy makers in the development of new programs for the environment at the local, regional, and national scale, as well as to other researchers examining complex ecological relationships.

Despite our growing understanding of the significance of environmental issues upon human health and welfare, environmental issues are scientifically and politically controversial. Many of the controversies revolve around economic interests. For example, the inability to manage the contamination of ground water by animal and industrial wastes is not due to the lack of technical ability, but to the lack of economically feasible methods. Currently, government is investing billions of dollars in addressing environmental issues. The SIUE Environmental Research Institute will provide research on the impact of environmental issues upon human health and welfare. This research will help policy makers and researchers develop viable solutions to environmental problems.

- **EMERGING TECHNOLOGIES CENTER AT SOUTHERN ILLINOIS UNIVERSITY CARBONDALE**

**Request:** *\$1 million for Southern Illinois University Carbondale's (SIUC) Emerging Technologies Center.*

The focus of the Emerging Technologies Center of Excellence will be on the emerging technologies in the areas of Electrical and Computer Engineering. Such emerging technologies currently include Wireless Communications, Seamless Networking, and Optical Storage and Processing.

The Emerging Technologies Center will provide the infrastructure and support necessary to accomplish the following objectives:

Partnerships with industry through an "Industry Affiliates" program. It is expected that, within three years, the contributions from the Affiliates program will match public funds on a one-to-one basis. The Department has already conducted productive preliminary discussions with Illinois-based industries who employ large numbers of our alumni (such as Motorola and Caterpillar). The exposure of our students to research problems supplied by industry will provide a national model to enhance this area of education, both in terms of quality and relevance. As a result, graduates will be prepared to enter the workforce in these critical jobs and industry will have confidence in their ability. Thus, the labor shortage in this area can be addressed.

Integration of undergraduate education and research, which is dictated by the rapid advances in technology, and the needs of industry in the highly competitive environment created by these advances.

Increase the enrollment of American students in the graduate programs and increase externally funded research that provides graduate enrollment in these critical areas.

Create a focal point for multidisciplinary research, which will successfully integrate large-scale research programs, such as NSF and DOD research centers.

• **DEVELOPMENT OF SMART MATERIALS AND DEVICES THROUGH NANOTECHNOLOGY**

**Request:** *\$500,000 in federal funding for the development of smart materials and devices through nanotechnology at Southern Illinois University Carbondale (SIUC).*

The Smart Materials Group of the Materials Technology Center (MTQ) at SIUC proposes to enhance its research and development effort in new generation materials and devices based on the emerging nanotechnology. Nanotechnology is a new school of ideas and processes for materials and product development based on a thorough analytical derivation and practice. Specifically, nanotechnology is the process for making useful materials and products by meeting their practical needs through the proper design and formation built from the molecular level at a scale of 10<sup>-9</sup> meters. It is envisioned that through proper engineering, nanotechnology can be used to develop (a) opto-electronic devices, (b) implantable sensors, (c) drug delivery systems, (d) fuel cells, (e) microscopic machines and biomedical devices, (f) catalyst, etc. Not only will these new classes of materials and devices function according to engineered fabrication but they also will react to external stimulation (force, electricity, etc.) for desired responses.

Recently, the researchers affiliated with SIUC's MTC have been engaged in research studies in the development of (a) carbon fibers derived from coal, (b) environmentally sensitive glass, (c) materials to convert CO<sub>2</sub> into methanol, (e) magnetic alloys, (f) carbon-carbon nanotube, (g) self-assembly electronic devices, etc. Each of these research projects has an emphasis on technology transfer with potential significant economic impact and has received great attention by the technical community. For example, the development of carbon-carbon nanotubes will benefit the energy industry by improving energy storage in fuel cells. The research in smart glass materials for energy conversion is ready to move from the laboratory-scale development into the practical demonstration setting. The significant impact lies in the fact that smart glass materials can be designed to convert carbon dioxide (CO<sub>2</sub>) or other waste materials/gases into useful energy products such as methanol.

## GRANTS

- **NATIONAL CENTER FOR SUPERCOMPUTING APPLICATIONS (NCSA) AT THE UNIVERSITY OF ILLINOIS**

**Request:** *The Illinois Coalition and the University of Illinois advocate the University of Illinois and the NCSA to be selected by the National Science Foundation (NSF) as the site for the \$45 million terascale supercomputer project.*

Congress has appropriated funds to enhance the nation's computational capacity by deploying over a five-year period new terascale computing systems in the United States. In FY 2000, the first of these systems (TCS-1) was awarded to the Pittsburgh Supercomputing Center. In FY01, \$45 millions has been appropriated, allowing NSF to place an additional system (TCS-2).

NCSA is currently developing its plans based on the NSF's receipt of funds for the FY01 Terascale Computing System. Last year, FY00, the University of Illinois submission was rated extremely high by the peer review board established by the NSF, and was one of two finalists for FY00 funding consideration. Illinois is viewed as the frontrunner for the TCS-2 system. FY02 funding would benefit NCSA by allowing major upgrades to its system if NCSA were selected as site for the FY01 allocation.

The acquisition of the new terascale computing capability is critical to the future of high performance computing at the University of Illinois. Terascale capability would help NCSA/University of Illinois continue its leadership of academic supercomputing centers. Currently, multiple states (Florida and North Carolina) have invested state resources to create supercomputers that have greater capacity than current hardware operated by Illinois. This additional supercomputing capacity is needed to allow the nation's scientific users access to the facilities they need to accomplish "break through" science. Moreover, NCSA's Private Sector Partners rely on these facilities to help them solve "real world" problems and use information technology to help them retain their competitive edge. This partnership with academia and industry will be greatly strengthened by acquisition of a terascale supercomputer. The ever-increasing demand for computational capacity by scientific researchers and partners from the private sector requires the type of significant hardware upgrades supported by the NSF FY02 terascale plan.

The direct economic impact of the Terascale System Competition in FY01 will be \$36 million plus additional costs (approximately \$10 million) needed for operations. Under a three-year program, terascale sites are expected to receive additional funds for future upgrades—approximately an additional \$9 million. Thus, the total direct economic impact from this specific grant is estimated at \$55 million.



## AGRICULTURE

### • FARM BILL REAUTHORIZATION

**Request:** *Ensure that the reauthorization of the farm bill provides significant income support to Illinois farmers and producers and maintains Illinois' role as the leading agriculture state in the country. In addition, ensure that the reauthorization fully funds critical environmental programs and that these programs are tailored so that Illinoisans can take full advantage of their benefits.*

Farm Bill Reauthorization is a top priority of Governor Ryan and the State of Illinois. The Governor recently chaired a Midwestern Governors' Conference (MGC) task force on the farm bill reauthorization. MGC will soon release a comprehensive report under the Governor's name.

In addition, Governor Ryan recently appointed an Illinois Farm Bill Task Force, comprised of a diverse group of agricultural interests throughout the state. (Members of the Task Force include the Illinois Corn Growers Association, Illinois Soy Beans Association, Illinois Farm Bureau, Illinois Farmers Union, Illinois Pork Producers Association, Illinois Beef Association, Illinois AgriWomen, U of I College of Agriculture, SIU College of Agriculture and a host of others.) The purpose of the Task Force is to develop a comprehensive set of recommendations regarding the farm bill and its impact on Illinois. The Governor's Farm Bill Task Force also has two key sub-groups: one on conservation programs and one on nutrition programs, both of which will provide specific recommendations on ways to improve these programs so that Illinois can benefit from them to a greater degree than we currently do.

The United States Congress appropriated a total of \$28.2 billion in total funding for agriculture in Federal FY00. Of that funding, Illinois farmers and producers received approximately \$2.9 billion in federal resources, second only to Iowa, which received \$2.67 billion in income assistance.

One reason Midwestern states fare well under the current farm bill is that most income support is allocated on the basis of program crops such as corn, soybeans, and wheat and is paid out in the form of market loss assistance payments. Much of the debate surrounding the next farm bill will be in regard to "countercyclical" payments, which provide support to farmers based on the overall health of the farm economy. Another key area of discussion will be so-called "green" payments—payments to farmers and producers for environmental and conservation purposes.

Both the House and Senate Agriculture Committees have already begun holding hearings on various aspects of the farm bill reauthorization. Senate Ag Committee Chairman Richard Lugar (R-IN) has indicated that it is his desire to have the entire process completed by August of 2002.

## CHILD NUTRITION

### • CHILD NUTRITION

**Request:** *Seek to amend the William F. Goodling Child Nutrition Reauthorization Act of 1998 to designate Illinois as a state to participate in this program on an ongoing basis. A conservative estimate is that Illinois could receive about \$30 million annually through this effort.*

The William F. Goodling Child Nutrition Reauthorization Act of 1998 (Public Law 105-336) established new food service components for both the National School Lunch Program (NSLP) and the CACFP. This Act provided reimbursement for snacks served to children, 18 years of age and younger, in certain community-based at-risk afterschool care centers under CACFP and school-based afterschool care programs under the NSLP. These new components are intended to provide nutrition assistance to afterschool care programs that offer the types of activities known to help reduce or prevent involvement in juvenile crime.

The Agricultural Risk Protection Act of 2000 (Public Law 106-224) amended section 17(r) of the Richard B. Russell National School Lunch Act (NSLA) [42 U.S.C. 1766(r)] to expand the at-risk afterschool snack benefit in CACFP to include the reimbursement of suppers in at-risk afterschool care programs in six States. Four states—Pennsylvania, Missouri, Delaware, and Michigan—were identified in the 2000 Act. Illinois applied for that competitive funding in October, 2000.

Illinois has a total enrollment of 629,174 students in public and private schools that participate in the National School Lunch Program that are area-eligible (at least 50% of children are eligible for free or reduced price meals as of Fall 1999). There are 175,000 children in the State receiving State or Federal subsidized child care for FY99. There are about 1,370 afterschool care programs in the State that are currently not participating in CACFP or NSLP afterschool snacks. Illinois believes there is \$46,800,000 of state appropriated funds for afterschool care activities in FY00.

**Estimated Receipt of Funds through After School Suppers Program**

Congressional District	Schools*	Total Estimated Funding
01	4	\$100,756
02	54	\$1,360,202
03	7	\$176,322
04	87	\$2,191,436
05	18	\$453,401
06	4	\$100,756
07	12	\$302,267
08	1	\$25,189
09	4	\$100,756
10	36	\$906,801
11	40	\$1,007,557
12	90	\$2,267,003
13	-0-	-0-
14	32	\$806,045
15	34	\$856,423
16	28	\$705,290
17	49	\$1,234,257
18	54	\$1,360,202
19	55	\$1,385,391
20	29	\$730,479
DOWNSTATE TOTAL		\$16,070,531
Chicago #299**	553	\$13,929,473
GRAND TOTAL	1,191	\$30,000,004

\* = Schools with 50% of more students eligible for free or reduced price meals





## CHILDREN AND FAMILY SERVICES

### Legislation

#### • FOSTER CARE FINANCING

**Request:** *Increase flexibility for states in Title IV-E foster care financing. This could be accomplished in three ways, all of which could be helpful to Illinois.*

1. Amend the Title IV-E of the Social Security Act to permit federal financial participation (FFP) for the costs of family preservation services.
2. Amend the Social Security Act to allow for the transferring of funds from Title IV-E to Title IV-B.
3. Amend the Social Security Act to allow for the de-linking of Title IV-E from old AFDC criteria.

Currently, states must bear the total reunification and family preservation costs making it almost a disincentive to move children out of care programs. Allowing FFP or the transferring of funds between titles would significantly help Illinois in its efforts to move children out of care programs and into permanency. The de-linking of Title IV-E from old AFDC criteria would grant states much needed flexibility in the area of eligibility.

#### • ENHANCED MATCH FOR CHILD WELFARE TRAINING

**Request:** *Amend Title IV-E of the Social Security Act to provide enhanced claiming (75% match) for all child welfare training.*

Under current law, training funds for public child welfare programs are reimbursed at a 75% matching rate by the federal government. This incentive serves to assure that states invest in training public child welfare workers on how to work effectively with abused and neglected children and their families. However, current law does not provide states the same incentives to train child welfare workers from private child welfare agencies.

Illinois purchases over 75% of the foster care services it provides from private child welfare agencies. In order to assure that there is an adequately trained staff providing services across the child welfare system, both public and private, the 75% matching rate for training expenditures should be expanded to include training for private agency employees.

Extensive staff training within the Illinois Department of Children and Family Services has contributed to Illinois leading the nation in the rate of adoptions from foster care in the past three years. When the whole workforce has been trained in the best clinical practices, permanency results improve and children spend less time in foster care.

This initiative has been pursued relentlessly during the past year and was successfully passed in the House. It has had broad support from other states and the private sector including the Child Care Association, the Catholic Conference and Cardinal Francis George, the American Public Human Services Association and the Child Welfare League of America. Speaker Dennis Hastert, Congressmen Weller and Crane were instrumental in pushing the provision through the House, but the provision has stalled in the Senate.

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- **EXTENSION OF THE PRIVATE GUARDIANSHIP IV-E WAIVER**

**Request:** *Obtain an extension from HHS of the Illinois Child Welfare IV-E Waiver on assisted private guardianship for another 5 years beginning May, 2002.*

Effective May 1997, the Illinois Department of Children and Family Services was able to implement an assisted private guardianship program through a IV-E Waiver granted for 5 years by the Department of Health and Human Services. This waiver allows the State of Illinois to offer subsidized guardianship as a permanency goal for eligible children in the foster care system. This option was created to provide for the permanency needs of children for whom goals of adoption and returning home have been ruled out as options. It allows the state to pay the guardian a subsidy for the child's care expenses with costs shared by the federal government. It is a preferable alternative to long term foster care. Over 5,000 children have been placed in permanent homes through subsidized guardianship since May 1997.

Although seven other states have been able to implement subsidized guardianship programs through IV-E waivers, none are as extensive or as successful as Illinois'. Since the program's inception Illinois has brought in an additional \$18 million in federal revenue.

- **SSI ELIGIBILITY**

**Request:** *Permit children with a SSI (Title XVI) eligible disability who are adopted to continue to be SSI and Medicaid eligible. This would require federal law to be changed to disregard adoptive parent's income.*

Children with disabilities who receive SSI and associated Medicaid often lose those benefits when adopted because the adoptive parents' income is considered when determining continued eligibility. This acts as a disincentive for individuals to adopt disabled children because of the risk of losing medical benefits for a child with significant medical needs. Those children then are at risk of coming into the Child Welfare System where they would then qualify for Medicaid upon adoption.

This change would be consistent with recent legislative efforts to provide tax credit incentives to adopt special needs children.

- **CHILD SUPPORT INCENTIVE FUNDING**

**Request:** *Amend the Child Support Performance and Incentive Act of 1998 to remove interstate competition-based funding and avoid variable and unpredictable program funding and potential lack of cooperation between states on interstate cases.*

42 USCA 658a provides for incentive payments to Title IV-D Child Support Enforcement programs to be competitively based beginning 10/1/1999. As of 10/1/01, the phased in incentive payment changes will be complete and states will be in competition with each other to obtain funding under a capped amount.

## DEFENSE

- **US ARMY'S AVIATION TRANSFORMATIONAL PLAN—REALLOCATION OF HELICOPTERS BY NATIONAL GUARD BUREAU (NGB)**

**Request:** *Illinois supports the Aviation Modernization Plan WITHOUT any reduction of helicopters, personnel or facilities in Illinois.*

The US Army has proposed an Aviation Transformational Plan. While the plan is needed, Illinois is concerned because nearly 58% of Army aviation are in the National Guard, with a small number in the US Army Reserve. The NGB is proposing to move around the helicopters that are allocated to the National Guards of various states, Illinois being one of those states.

Illinois has an Aviation Battalion and has 27 UH-60 Blackhawk helicopters assigned to the State. The NGB is proposing Illinois' number of helicopters be reduced by 41%, which will drop the number of UH60s to 11. When aviation equipment, such as helicopters, is lost, personnel strength is also reduced. If Illinois was to lose 11 helicopters, and in turn lose a considerable amount of personnel, then such a reduction could possibly require Illinois to close one of its Army Aviation Support Facilities (AASF). Illinois' AASF are located in Chicago, Decatur and Peoria. In order for Illinois to prevent loss of helicopters, personnel or facilities, it is expected that this issue will take Congressional interaction between the State and the NGB to resolve.

- **CHALLENGE PROGRAM**

**Request:** *Make the ChalleNGe program funding totally federal rather than the current 60% federal / 40% state mix.*

The ChalleNGe program provides drug-free, crime-free high school drop-outs the opportunity to earn a GED in a structured, semi-military setting. The program is run by the Illinois National Guard (Department of Military Affairs) at the old Rantoul Air Force Base in Rantoul, IL.

The funding for ChalleNGe programs started back in 1993 at a 100% federally funded level. In FY99, the formula changed to 75% federal / 25% state, moved to 70% / 30% in FY00, and will level off starting in FY01 at 60% / 40%. The program's appropriation is funded on a national basis, and the federal funds are distributed by the National Guard Bureau to each state with a ChalleNGe program. Illinois has the largest ChalleNGe program in the nation, putting roughly 800 students through its program each year. Returning the ChalleNGe program to a totally federally funded one would save Illinois approximately \$3.2 million a year.

- **PROCUREMENT TECHNICAL ASSISTANCE CENTER PROGRAM**

**Request:** *Increased cap on funding assistance that will provide more money to centers organized in a statewide program, such as Illinois.*

The Department of Defense-Defense Logistics Agency (DLA) administers the Procurement Technical Assistance Cooperative Agreement Program, which provides funding on a cost sharing basis, to states, local governments and other nonprofit organizations. They in turn provide government contracting assistance to companies interested in selling their products/services to government agencies.

The Department of Commerce and Community Affairs (DCCA) is encouraging a change in the DLA Procurement Technical Assistance Program. The current statute requires that Procurement Technical Assistance Center (PTAC) programs providing statewide coverage, such as Illinois, are not allowed to receive more than \$300,000 in funding assistance. At the same time, local and regional programs can receive up to \$150,000 for each program. With no limit on the number of individual programs funded in a state, states with multiple independent local and regional PTAC are receiving well over \$300,000. However, Illinois DCCA is unable to receive more than \$300,000 in DLA federal support, even though Illinois has an extremely effective statewide network of 12 PTAC providing contracting assistance throughout the state.

The PTAC program offers a tremendous return on investment in Illinois. A legislative change would be required to eliminate or raise the current funding cap for programs that provide statewide coverage. This change would allow Illinois to continue to run an effective, comprehensive and well-coordinated statewide program and also apply for additional federal funds. Additional resources would result in an increase in services provided in Illinois, better access to procurement services for Illinois companies, and an increase in the economic impact and return on investment generated through government contracting.

# ECONOMIC DEVELOPMENT

## HUD

### Legislation

- **FEDERAL REGULATORY COMPLIANCE ASSISTANCE FOR SMALL BUSINESS**

**Request:** *The reintroduction of legislation that calls for the Small Business Development Centers (SBDC) to provide small businesses with regulatory compliance assistance.*

While the federal regulatory agencies provide assistance to small business, Illinois has always wanted to provide “one stop” assistance to small business. For example, small businesses cannot always afford an attorney to assist them in the aspects of starting a new business. This type of assistance would not only help small business financially, but would help them to prevent costly legal mistakes.

In the 106<sup>th</sup> Congress, HR 4946 was introduced. Illinois supports the reintroduction of this legislation in the 107<sup>th</sup> Congress.

- **HUD FHAP FUNDING**

**Request:** *Advocate the development of an Interim Agreement between Illinois Department of Human Rights and the Fair Housing Assistance Program (FHAP) of the Federal Department of Housing and Urban Development (HUD). Encourage the granting of capacity building funds to IDHR immediately following the execution of the Interim Agreement.*

When a state or local law, such as the Illinois Human Rights Act, is determined by HUD to be substantially equivalent to the Federal Law (Title VIII as amended) which HUD enforces, the state or local enforcement agency is eligible to enter into an Interim Agreement and ultimately a final Memorandum of Understanding with HUD. The contractual arrangement provides for the state or local agency to accept from HUD, and process all charges of housing discrimination originating within the state.

The contract provides that HUD will pay to the State Agency, approximately \$1,800.00 for each housing charge processed. In Illinois, we would expect to process approximately 300 charges per year.

In 1985, IDHR and HUD entered into a Memorandum of Understanding, and HUD awarded IDHR a FHAP contract, which generated approximately \$1,200.00 per charge. In 1992, the Illinois Human Rights Act was reviewed again by HUD and certified to be substantially equivalent to Title VIII as amended in 1988. In late 1995, after the temporary loss of some resources, the IDHR reviewed its capacity to continue to effectively comply with the contractual obligations. The analysis revealed that our agency operations and service delivery to our constituents would best be served by opting out of the Program until such time as we would be able to devote the appropriate resources to our Housing Program. In 1999, we reorganized in a fashion that would allow full focused attention to our housing program. We met with HUD officials who suggested we resubmit our law for certification, although there has been no substantial changes to the law since it was previously certified. The law was resubmitted approximately two months ago, and we await a response.

## Regulations

### • **REPEAL OF THE MRB TEN-YEAR RULE**

**Request:** *Repealing of the punitive ten-year rule, which restricts private-activity bonds and MRB funds from being rolled over to issue new debt.*

The MRB Ten-Year Rule restricts private-activity bonds (specifically mortgage revenue bonds) by requiring that pre-payments on mortgage loans made more than ten years after the bond issuance be applied toward calling the bonds. It prevents MRB funds from being rolled over to issue new debt from which new mortgage loans can be made.

The Rule's impact between 1998 and 2002 would cause Illinois to lose \$256 million in MRB funding availability, or approximately 3,783 first-time homebuyer mortgages. (Calculated by the National Council of State Housing Agencies – NCSHA).

### • **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM—ANTI-PIRATING REGULATIONS**

**Request:** *Illinois discourages the adoption of HUD's proposed rule 24 CFR Part 570 entitled Prohibition on Use of Community Development Block Grant (CDBG) Assistance for Job-Pirating Activities.*

On October 24, 2000, HUD proposed regulations that would prohibit states and localities from using CDBG dollars for “job-pirating.” The amendment prohibits the direct use of CDBG funds to facilitate the relocation of a business from one area to another, if the relocation would result in a “substantial” loss of employment in the area from which the relocation took place.

Illinois has four primary concerns with the proposed rules. First, the rules define “direct” assistance to include both loans to businesses as well as the provision of public infrastructure. The provision should not apply to instances where CDBG funds are used for the provision of infrastructure. Second, the rules define “substantial” job loss as either a loss that represents .1 percent of the labor force in a Labor Market Area or 500 jobs, whichever is less. The definition should be limited to .1 percent of the labor force. There is no reason to have two separate triggers. Furthermore, HUD should recognize that there is a level of job loss that is not significant regardless of the size of the labor market. Illinois suggests that HUD define job relocation of less than 25 jobs to be exempt from these provisions. This would spare grantees and businesses the burden of compliance when the project involves relatively few jobs. Third, the new reporting requirements placed on businesses seeking CDBG assistance are burdensome and unnecessary. A business certification attesting that no jobs are being relocated is sufficient. Fourth, the rules provide for penalties for noncompliance, but put no limits as to when these penalties can be imposed. Few businesses would want to carry a contingent liability such as this. The rule, if adopted, would discourage legitimate use of CDGB funds for economic development.

## EDUCATION

### • IDEA

**Request:** *Amend Section 300.231-3 of IDEA, which allows districts to spend either more than 20% of the new funds over the baseline as “local funds” and/or establish current local/state funds as a hold harmless level so that any additional funding can be more freely used by the school district.*

Section 300.231-3 of the Individuals with Disabilities Education Act (IDEA) as reauthorized in 1997 delineates maintenance of effort, exception to maintenance of effort, and treatment of federal funds in certain federal years. The original federal law of 1975 required federal funding at a significant higher level than has ever occurred, stating that the federal government would contribute 40% of national average per pupil expenditure to local school districts, based on their annual count of served children and youth with disabilities.

IDEA as reauthorized in 1997 is positive in terms of student support and family involvement, and focusing on student achievement. It is also a very prescriptive law and requires specific state and local activity in order to be in compliance with the federal law. The federal law requires significant action at the state and local level in assuring a free appropriate public education for children and youth with disabilities from ages 3 to 21.

### • 2003 STUDENT LOAN INTEREST RATE INDEX

**Request:** *Support efforts to stabilize the long-term student loan interest rate index by ensuring a reliable supply of private funding for the Federal Family Education Loan (FFEL) Program.*

FFEL has opened the doors to higher education for millions of American families during the past 35 years and is the largest federal source of financial aid for college. One of the most critical issues facing the FFEL Program is the 2003 interest rate change. Absent congressional action, the rates for lenders and borrowers are scheduled to revert to a longer-term index on July 1, 2003, instead of continuing to use the current three-month Commercial Paper rate. The longer-term rate would severely threaten lender participation in the program.

Because the longer-term interest rate index is used in calculating baseline federal budgetary costs, a resolution of the 2003 interest rate index is expected to add to federal costs for FFEL. It is important to remember, however, that competition and choice have spurred innovation and increased efficiency in the FFEL program and that student loan default rates have reached an all-time low.

### • FEDERAL STUDENT LOAN BENEFITS

**Request:** *Support efforts to utilize a portion of the current federal budget surplus to reduce costs faced by all student loan borrowers, regardless of the loan program their school chooses (Federal Family Education Loan Program or the Federal Direct Loan Program).*

Under existing law, all borrowers under the FFEL and Direct Loan Program pay a Federal Loan Origination Fee. A reduction in this fee would provide additional loan proceeds for Illinois students and families to use to meet college costs. A one percentage point reduction in the Federal Loan Origination Fee, below the level currently required by law, would have resulted in an additional \$5 million in loan proceeds becoming available for FFEL borrowers who had their loans guaranteed by ISAC this past year.



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- **PREPAID TUITION PROGRAM TAX TREATMENT**

**Request:** *Support efforts to exempt earnings from qualified state tuition programs such as College Illinois! from federal income tax.*

ISAC endorses the College Savings Plan Network (CSPN) position encouraging Congress to exempt from federal income tax liability all distributions from qualified state tuition programs (QSTP's) such as Illinois' *College Illinois!* prepaid tuition program and similar savings plans offered by private institutions. Specifically, funds from *College Illinois!* distributions should be excluded when determining a family's gross income which is subject to federal income tax.

*College Illinois!*, a prepaid tuition program, is one type of QSTP created under Section 529 of the IRS Code. Current federal law provides that the "earnings" (or increased value) on QSTP's such as *College Illinois!* are taxable as income at the federal level, but the tax is deferred until the benefit is used when the student beneficiary enrolls in college. At that time, the earnings are taxed at the (lower) student marginal tax rate rather than the (presumably higher) marginal tax rate of the plan purchaser. Excluding the earnings income from taxable income would further encourage QSTP participation.

- **PREPAID TUITION PROGRAM ASSETS AND FEDERAL STUDENT AID ELIGIBILITY**

**Request:** *Support efforts to ensure families participating in qualified state tuition programs such as Illinois' College Illinois! do not suffer diminished eligibility for federal student financial aid.*

ISAC and the College Savings Plan Network (CSPN) agree that for federal financial aid purposes, the student's eligibility for financial aid should not be diminished because their family planned ahead and purchased a QSTP benefit such as a *College Illinois!* contract. Specifically, the student's Cost of Attendance and Expected Family Contribution should be computed without reference to QSTP distributions received by families.

Unfortunately, current federal law is not clear regarding how distributions to families who purchase assets from QSTP's, including *College Illinois!* prepaid tuition contracts, should be considered when determining eligibility for federal student financial aid. Current practice has been to treat prepaid tuition contract distributions the same as a scholarship from an unrelated party which can result in a dollar for dollar reduction in a student's federal financial aid eligibility. Alternatively, distributions from QSTP's have been treated as a student asset in determining federal financial aid eligibility. In both instances, QSTP distributions diminish the student's eligibility for federal financial assistance. Current practices act as a disincentive for families to save for college.

- **MAINTAIN THE E-RATE FOR ILLINOIS SCHOOLS**

**Request:** *Maintain the Illinois E-Rate in order to increase the access to learning technologies, in order to support better teaching and learning, in line with State goals.*

The Universal Service Program for Schools and Libraries (also known as the "E-Rate") is a program that has been in existence since 1996. The Telecommunications Act of 1996 and subsequent revisions were critical to ensuring access by schools and libraries to advanced telecommunications services. The Program gives K-12 Schools (both public and private) discounts of 20% to 90% on Telecommunications Services, Internet Access, and Internal wiring to connect with the Internet and provide distance learning services to schools. There is no specific State cap for how much we can receive each year. The agency seeks to maintain current funding levels to accommodate the continuing demand for the services.

All schools are eligible to apply; however, the extent of the discount is determined by the percentage of Free/Reduced Lunch eligible students in the school. The higher the number of eligible children in the schools, the higher the discount level.

Illinois schools have received the following dollars to support their Learning Technologies projects: FY99, \$84 million; FY00, \$163 million; and FY01, \$121 million. The Program is funded directly from the Universal Service Surcharge on Telecommunications bills. It is not funded out of general revenues. The Program is administered out of the Universal Service Administration Corp. (USAC), with oversight from the Federal Communications Commission (FCC). The Program works on a national, annual cap of \$2.25 billion.

To date, the Program has been lauded for bringing in technology to the poorest schools. Some of Illinois largest and poorest districts have taken advantage of the program, including Chicago Public; Elgin; and E. St. Louis. On the downside, the Program has taken appropriate criticism for being too cumbersome and administratively complicated. The State Board of Education continues to work with USAC and the FCC to reduce the administrative burden to schools.

• **HILL-BURTON FORMULA OF THE VOCATIONAL REHABILITATION ACT OF 1973**

**Request:** *Change Hill-Burton Formula of the Vocational Rehabilitation Act of 1973 (VR), as amended, to change the grant formula.*

Federal funding would increase if the population-based funding formula were changed to give greater weight to 3 variables:

Percent of population with low income

Percent of population who are minorities

Percent of state VR agency caseload with significant disabilities

• **STATE AND DRUG FREE SCHOOLS PROGRAM**

**Request:** *Reauthorize the State and Drug Free Schools Program to ensure that discretionary funds remain intact. The entire SDFS Program including the state grant (Governor's Discretionary) needs to be fully supported.*

The Bureau of Substance Abuse Prevention relies on SDFS funds to support services delivered at the community level by community-based providers. These funds represent 10% of the Bureau's budget. Any reduction in funds could result in cuts to the amount of services being delivered in communities around the state.

Over the last two years, this program has received negative publicity because some schools did not use their funding appropriately. This publicity influenced public perception regarding this program which ultimately influenced Congress. Even though some schools have drawn negative attention to this program, not all schools should be punished. Funds are still needed to address this issue and a good majority of the schools have designed programs to appropriately address this issue. These funds are also used to support violence prevention programs developed and implemented by schools. The U.S. Department of Education has been promoting the framework called the Principles of Effectiveness which contains strategies for ensuring effective programming.

In Illinois, according to last month's data, use of alcohol, tobacco and marijuana by 8<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> grade students are above national trends. Alcohol continues to be the number one drug of choice by youth, used in the past month by one in four of surveyed 8<sup>th</sup> grade youth and by more than half of surveyed 12<sup>th</sup> grade students. Drug use has been consistently declining and this trend will change if funding is reduced or terminated.

## • ESEA REAUTHORIZATION

**Request:** *In the reauthorization process for the Elementary and Secondary Education Act (Improving America's Schools Act) of 1965, four major areas that the Illinois State Board of Education would like to see major changes/action in are Early Childhood Education; Mathematics Excellence; Reading Excellence; and Title I Targeted Grants. In the former three instances, language is needed; in the latter instance, implementation of the authorization is needed.*

### 1) Early Childhood Education

The current Elementary and Secondary Education Act (ESEA) does not directly address the provision of early childhood education. While the current Title I provisions allow for use of these funds for preschool purposes, there is no separate targeting of ESEA resources for this area of need. There should be a direct and separate provision within the act. Consistent with Illinois action over the past 15 years, there is a need for providing targeted services for students at risk of academic failure in terms of pre-kindergarten services and family literacy supports.

ESEA needs to be modified to authorize an entitlement program

**Children eligible:** Each public school district receiving these early childhood funds must establish its own criteria, consistent with state criteria as applicable, for selecting and serving 3- and 4- year olds at risk of academic failure.

**Funding:** An entitlement formula will need to be instituted, with an emphasis on high need, high poverty areas. It could be fashioned similar to the Title I Basic formula, adding a provision for early childhood.

**Professional development:** Ongoing training to assure current knowledge and skills would be required, with an emphasis on partnerships with the community and higher education. A percentage of the program funds must be set-aside for such use, e.g., up to 5%.

Services to be provided would be an early childhood education program that is appropriate to a broader number of children. Appropriate practices for this voluntary program will focus on hands-on experiences, active exploration of the environment, and include play and language activities that allow for the varying rates of child development and learning.

Illinois has provided the option of early childhood education and family education programs and services for children under the age of five years and their families for more than 15 years. School districts may provide services for at risk children ages 3 to 5, and compete for funding from the State Early Childhood Block Grant. Each year the number of families and children served increases yet there is a significant demand remaining.

In FY00 the State appropriated over \$170 million in state funds for this block grant to school districts. The state appropriation has increased annually, to meet this State priority, since the funding began in 1986. Approximately 55,000 children and their families are served through state resources. Of course the federal funding to Illinois for Head Start and Early Head Start complements these services. Recent figures from Head Start show that they serve another 32,000 children and their families in Illinois.

### 2) Mathematical Excellence

The current ESEA is silent on the need for mathematical excellence. The Elementary and Secondary Education Act now has a Reading Excellence provision but does not address mathematics except in terms of students receiving Title I services having to meet high academic standards in reading and math. Title II of ESEA focuses on math and science professional development needs. Emphasis at the highest level on the importance of achieving mathematical competence is appropriate. Language within the act should parallel that of the Reading Excellence Act, now Part C of Title II. Funding should be available to target state areas of high need and assist school districts in working with those students to achieve high standards.

On the 1999 and 2000 Illinois Student Achievement Test, students in Illinois demonstrated that they have not mastered the Illinois Learning Standards in mathematics. In 1999—at the 3<sup>rd</sup> grade level, 47% of those tested met standards, 21% exceeded and 32% were below standards. At the 5<sup>th</sup> grade level, 53% of those tested met standards, 3% exceeded and 45% were below. At the 8<sup>th</sup> grade level, 36% met standards, 7% exceeded, and 57% were below. Finally, at the 10<sup>th</sup> grade level, 47% met standards, 5% exceeded, and 47% were below standards. In 2000, using the same test—at the 3<sup>rd</sup> grade level, 29% were below standards and 72% met or exceeded standards; at the 5<sup>th</sup> grade level, 39% were below standards and 61% met or exceeded standards; and at the 8<sup>th</sup> grade level, 49% were below standards and 51% met or exceeded standards.

Illinois has begun a statewide Mathematics Initiative designed to provide leadership and support for raising student achievement in math throughout Illinois. The goal is improved student achievement so that by 2005, 85% of all students will meet or exceed the Illinois Learning Standards in math. Federal funds through a Mathematical Excellence Act, parallel to the Reading Excellence Act, would be of tremendous assistance in helping states to focus energy and human resources to alleviate the problems noted in Illinois and in existence in other states as well.

### 3) Reading Excellence Act (REA)

The current law addresses the 1997 provision for reading, which is funding grant programs for states, by focusing on scientifically-based reading research programs serving students in grades K-3. Illinois received a grant award in 2000 for \$37.9 million to help the eligible districts statewide rethink their reading programs and staff development, and institute appropriate services based on reading research.

Currently, 27 states receiving the REA funding are: Alabama, California, Colorado, District of Columbia, Florida, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Mississippi, North Carolina, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Virginia, Washington and West Virginia.

Given the fact that more than half of the states are now in a “demonstration status,” there should be serious consideration to modifying ESEA to have the Reading Excellence Act provision become an ongoing formula. Such funding would be on a formula basis, aligned with poverty levels and possibly reading achievement levels, in order to target grades K-3 statewide and address scientifically-based reading research for a broader group.

Illinois’ REA grant began in 2000-2001 and will end in 2003. Illinois seeks to continue federal funding for the state so that needy school districts can continue to receive targeted funding to improve reading achievement.

### 4) Funding Title I Targeted Grants

Improving America’s Schools Act as reauthorized in 1994 introduced Title I Targeted Grants. These were to be a further refinement of the Title I Concentration Grants (i.e., if the eligibility threshold for Concentration grants is 15%, Targeted Grants would allow a lesser percentage to be eligible to receive/have funds targeted). Targeted Grant funds would be incorporated into a district’s Title I grant fund as are the currently-funded Concentration Grants, and thus could be used in the district’s Title I program. Obviously, the greatest beneficiaries of these grants would be large states, which have large populations of students from low-income families.

Using the 1990 and 1995 census poverty estimates, the number of students living in poverty in Illinois has gone up by nearly 35,000. Even with additional appropriations at the federal level for the Title I–Basic and Title I–Concentration Grants, Illinois will receive an increase in funding next year of only approximately 1%. Section 1125(a) of Title I ESEA allows for Targeted Grants to Local Education Agencies. This portion of the act has never been funded since it was included within the reauthorized law in 1994.

Illinois seeks assistance through an appropriation for this authorization. These funds would be of assistance to Illinois' districts in assuring quality services to schools in low income areas, and meeting the needs of an ever-growing population of students at risk of academic failure.

The report on Title I by the National School Boards Association, *Exploring New Directions: Title I in the Year 2000* (2000), offers policy recommendations on Title I and suggestions regarding reauthorization of IASA. Recommendation #3 in their report says:

“Historically, Title I has been criticized for its failure to target funds sufficiently to those schools and districts serving the neediest children. Since 1994, significant progress has been made in this regard, but further concentration of funds in the poorest schools is required to provide the resources necessary to overcome the enormous challenges faced by educationally disadvantaged children. Until Title I is fully funded, appropriation increases should be substantially targeted to school districts with the highest concentration of students in poverty. To accomplish this, provisions should be added to existing legislation requiring that some specific portion of all new Title I funds be allocated to concentration grants and the formula for concentration grants be more tightly targeted.”

The National School Boards Association, the National Association of State Title I Directors and the Illinois State Board of Education support additional funding for states/districts with large concentrations of children from low-income families. The National Association of State Title I Directors' position on the reauthorization of Title I states: “Helping students achieve high standards in the core content areas of Reading and Math should remain an instructional focus for Title I and should continue to be based on high standards to perpetuate the successful trend in reading improvement in the lowest achieving students...”

During 1998-1999, approximately 474,600 public school students and 55,200 private school students received services through Title I. In FY99, Illinois received a total of \$327 million in Title I—Basic Grants. About 750 of the 900 school districts in Illinois received funds for supplemental programs to enable all students at risk to achieve the challenging state content and performance standards. Most programs focused on reading and language arts, although there are a small number of mathematics programs supported. Title I dollars are also dedicated to professional development for school staff and parental involvement programs. Students with limited English proficiency, homeless children and neglected and delinquent children are also targeted for services through these funds.

The additional resources through the Targeted Grants would assist urban and low-income areas beyond the current funding levels. As this line item has never been funded, it is difficult to estimate what Illinois or any state would receive. Had this line item been funded in FY01 as requested in the President's budget, it is estimated that Illinois would have received about \$70 million, based on our traditional receipt of about 4.2% of the Title I line item

#### • **SCHOOL CONSTRUCTION**

##### ***Request: Authorization of a program for school construction.***

Illinois continues to have a tremendous need for federal school construction support. While Illinois has invested \$1.37 billion into school facilities statewide in the last three years, at the state and local level, over \$8.4 billion still remains in reported school construction needs.

### Reported School Construction Needs, as of 2000

Congressional District	Total Estimated Cost*
01	\$ 35,860,000
02	\$ 139,019,260
03	\$ 221,517,223
04	\$ 11,750,000
05	\$ 16,014,908
06	\$ 136,426,586
07	\$ 133,820,800
08	\$ 406,697,152
09	\$ 24,797,000
10	\$ 297,864,697
11	\$ 351,802,967
12	\$ 317,803,410
13	\$ 395,671,071
14	\$ 608,482,854
15	\$ 847,389,650
16	\$ 536,294,987
17	\$ 204,846,767
18	\$ 319,761,307
19	\$ 353,365,321
20	<u>\$ 277,681,108</u>
Downstate Total	\$5,921,957,068
Chicago #299**	<u>\$2,500,000,000</u>
Grand Total	<u>\$8,421,957,068</u>

\* = As reported to the SBE in July 1999 and updated periodically since.

\*\* = From Chicago Public Schools Capital Improvement Program FY01-05.

In Chicago, more than 50% of the school buildings are over 50 years old, and a majority of them have endured decades of neglect. Since 1996, 14 new schools have been built, 24 multi-story additions, 27 single-story annexes have been put into place, and 1,125 renovation projects have occurred. At the high school level, more than 900 permanent classrooms have been built, 309 schools have new roofs, 55 accessibility projects are completed or underway, and 45 state-of-the-art science labs are completed or underway.

Some of the \$8.4 billion need noted above would be used to address accessibility issues throughout Illinois. Approximately 90% of the school buildings in the state provide limited accessibility for students, faculty, families and visitors, such as an accessible entry, two accessible restrooms and one accessible drinking fountain in the building. It is further estimated that only 18% of Illinois public schools are fully accessible, and those are primarily the newer school buildings now meeting state and federal accessibility standards.

Accessibility is a critical issue as districts ensure that they meet the requirements of Section 504 of the Rehabilitation Act (of 1973), and the Americans With Disabilities Act (of 1992) which prohibits private

employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions and privileges of employment. Reasonable accommodation may include, but is not limited to:

Making existing facilities used by employees readily accessible to and usable by persons with disabilities.

Job restructuring, modifying work schedules, reassignment to a vacant position;

Acquiring or modifying equipment or devices, adjusting modifying examinations, training materials, or policies, and providing qualified readers or interpreters.

An employer is required to make an accommodation to the known disability of a qualified applicant or employee if it would not impose an “undue hardship” on the operation of the employer’s business.

Enforcement of the ADA and Section 504 is the charge of the Office for Civil Rights (OCR), in the U.S. Department of Education. The civil rights laws extend to most educational institutions in the nation, e.g., almost 15,000 school districts and more than 3,600 colleges and universities. The laws protect: about 52.7 million students attending elementary and secondary schools. Under Section 504 and ADA, complaints include such issues as accessibility of school facilities and programs, and appropriate special education services.

#### • **QUALIFIED ZONE ACADEMY BONDS**

**Request:** *Increase bond authority to \$50 million.*

Illinois currently participates in the Qualified Zone Academy Bonds Program. This assistance was created under Section 226 of the federal Taxpayer Relief Act of 1997. 1999-2000 was the second year of participation. The allocation for each year for Illinois has been \$14 million. Illinois is one of but a few states using this program. Yet with this use there still remains a significant need in Illinois.

One of the current requirements for a bond issue to be designated as Qualified Zone Academy Bonds is that the applicant must secure private business contributions valued at least 10% of the amount of bonds to be designated as QZABs. Although there are ways to deal with this requirement, it presents an obstacle to at least some districts that might otherwise be able to participate. The state could continue to use the program better if Illinois’ share of bonding authority (currently \$14 million) be increased to at least \$50 million; and the Revenue Code be changed to not require the matching 10% private contribution.

#### • **IMPACT AID**

**Request:** *Amend the Act to provide funding to additional needs in Illinois.*

Illinois needs three modifications of the current law in order to improve the federal financing for federally connected children in Illinois:

1. **Weighting.** For military students not living on federal land, the weighting was .10. This was changed in the 2000 law to be .20 weight, which is now sufficient. However, the weighting for students in low rent housing units remains at .10, which is problematic. Illinois requests that this figure be changed to .20 as well.
2. **Threshold.** In 1994, the law was changed to require that in order to claim what are called “civilian” dependent children, a school district must enroll either 1000 such children or they must represent at least 10% of the district’s total student enrollment. This does not apply to low-rent housing children, only children whose parents are for the most part civilian federal government employees. All children whose parents are in some way involved with the federal government or that live on federal property should be eligible for payment by the school district enrolling such children. The result of that change

was that several school districts with large but not sufficiently large student populations residing in low rent housing were no longer eligible to submit claims, as they had been doing. Illinois position is the same as the NAFIS position on this issue, which is, that the entire threshold provision that was added in 1994 should be deleted from the law

3. Full funding. Only 50% of the nationwide need has been funded since FY96, despite the increased appropriation. There is a need for fully funding the law.

Congress recognized that federal military education activities were having an adverse effect on some local school districts' ability to raise revenue. In addition, Congress was concerned that the children of military personnel should have adequate funds for their education. In 1950, Impact Aid for Operating Expenses and Impact Aid for Construction were passed to assist local schools affected by federal activities. Since 1950, additional portions of the law have been added.

Impact aid goes directly to local districts, bypassing the state government. They may be used as deemed necessary by the school district, without "strings attached." Assistance is provided when there is federal ownership of the land and/or additional students coming into an area who would not be there except for the federal purpose (e.g., a military base).

In order to receive an Impact Aid payment, the school district must:

- 1) meet payment eligibility criteria;
- 2) conduct a student survey each year to identify the number and type of "federal children" in the school district; and/or
- 3) have a local tax assessor conduct an annual assessment of the federal property based upon the "best use of adjacent property."

Illinois received \$14.8 million and \$13 million in Impact Aid respectively in the last two years.

Military children represent about 40% of the student population in the North Chicago school district. The district educates over 90% of the military student population from the Great Lakes Naval Training base.

Impact Aid represents 24% of the funding in the Mascoutah school district. Over 57% of the students that attend the schools in this district are dependents of the military base. One half of all students reside on Scott Air Force Base.

Consolidated School District #180 and the Lemont Township High School District #210 (both in Congressional District #13) are examples of districts receiving funds as a result of federal ownership/federal property. District #180 receives approximately \$180,000-\$200,000 per year and District #210 receives approximately \$300,000.

If the line item was fully funded, and these revisions were made, Chicago District #299 (now receiving \$500-600,000) would receive about \$7.7 million, particularly due to the proposed revision on weighting.

Prior to the threshold provision being put in the law, Illinois had about 100 school districts claiming Impact Aid. Should that provision be modified significantly or removed from law, it is anticipated that more districts would participate than currently claim this aid.





# ENVIRONMENT AND WATER

## ENVIRONMENT

### • WILDLIFE CONSERVATION AND RESTORATION PLANNING

**Request:** *Obtain increased and permanent funding for Wildlife Conservation and Restoration Planning, moving up from the FY01 one-year appropriation of \$50 million to a guaranteed multi-year annual appropriation of \$350 million as proposed in the Conservation and Reinvestment Act (CARA, HR 701).*

The nation's state natural resource agencies through the International Association of Fish and Wildlife Agencies identified a billion-dollar annual shortfall in funds necessary to conserve all species of wildlife, prevent species from becoming endangered, provide wildlife-related recreation opportunities to meet existing and projected public demand, and educate Americans about the natural resource and economic value of our country's wildlife. Title III of CARA would have provided \$350 million annually, not subject to appropriation, from Outer Continental Shelf Oil Revenues to be distributed to the states on a formula basis to fund wildlife conservation. Illinois would have received \$13.4 million annually. Congress passed enabling language but appropriated just \$50 million (for allocation to 50 states) for one year only. Illinois will receive an estimated \$1.9 million. While this is a step in the right direction, wildlife conservation is a long-term effort that needs permanent funding to provide meaningful results.

CARA was a grassroots-supported initiative to provide funding for a variety of environmental programs including wildlife conservation. The nationwide CARA coalition included more than 5,000 organizations representing 100 million people, all the state governors, three-quarters of the members of the House of Representatives (17 of the 20 from Illinois), 63 US senators including both Illinois senators, and the President.



# HEALTH

## Legislation

### • NATIONAL PROGRAM OF CANCER REGISTRIES

**Request:** *Remove the current funding ceiling of \$30 million and lower the match rate. Current match level is \$1:\$4 (State:Federal).*

The availability of funding is anticipated through the Centers for Disease Control and Prevention's National Program of Cancer Registries (NPCR) for the expansion of the state cancer registry to expand data usage. Depending on the expansion of GRF, the Illinois State Cancer Registry (ISCR) might be awarded additional NPCR monies that would enable the division to develop a research team that would be more proactive in identifying increased cancer incidence, responding to public inquiries, and producing environmental and other epidemiological studies and reports.

While there are additional funds available, Illinois is unable to capture more federal dollars as we are simply "maxed out" on our ability to provide a match. To bring ISCR to the level of the NCI SEER registries would require \$1.5 millions.

## Regulations

### • MEDICARE CERTIFICATION SURVEY PROGRAM

**Request:** *IDPH requests greater flexibility in the regulatory constraints for the survey process of LTC facilities under the HCFA Survey and Certification Program. With some flexibility on the protocols, IDPH could modify the process to continue to survey all facilities without the need for additional funding to cover activities.*

IDPH is required under the federal statutes and guidelines to survey every LTC facility once per year, as well as complete a number of follow up visits, complaint investigations and other special focus surveys. Modifications to the current survey process could be made to cut costs but still provide quality reviews.

The survey protocol that is mandated by HCFA requires that IDPH spend the same amount of time surveying a "good" facility, as one that has had a "bad" compliance history. This process is inefficient. Without greater flexibility, IDPH needs to seek additional funding.

### • PUBLIC ASSISTANCE COST ALLOCATION PLAN

**Request:** *Assistance with approval of our Public Assistance Cost Allocation Plan (PACAP) by the Federal Government.*

With the formation of DHS we had to develop a cost allocation plan that reflected how all of the pieces of DHS fit together and how we planned to allocate cost to various organizational units and ultimately the various federal programs for which we receive grant funds. This plan was reviewed by Mr. Robert Vernon of the Department of Health and Human Services Division of Cost Allocation and we met to discuss a number of specific issues and changes. A revised plan was submitted in February of 2000. Since most of our federal claiming is tied to the approval of this plan, its approval is very important.

Although it has been almost a year since the plan was submitted we still do not have any clear information as to when we might receive approval. Both DHS staff and DMG Maximus, who we contracted with to help us write and implement the plan, have had numerous conversations with Mr. Vernon regarding when approval of the plan, without success. Until we receive an approved plan we can not close out a number of federal grant and can not finalize the ORS VR disallowance for prior periods. Mr. Vernon indicated that review of our plan is on his agenda for January. We are hopeful that this will result in an approval in the near future.

• **COLUMBIA MICHAEL REESE/WAGE INDEX ISSUE**

**Request:** *Consideration of the Health Care Financing Administration (HCFA) to permit the former Columbia Michael Reese Hospital and Medical Center (Provider No. 14-0075) to resubmit wage index data for FY95.*

Favorable consideration by HCFA would greatly improve the equity of Medicare reimbursement to metropolitan Chicago-area hospitals and those located in Lake County, Indiana. Hospitals in the Chicago MSA lost nearly \$18 million in Medicare reimbursement in FY99 (October 1, 1998–September 30, 1999) because of Michael Reese's data inaccuracies. If uncorrected, these hospitals would be forced to bear a significant hardship in addition to the pain caused by the Balanced Budget Act of 1997.

After the former Columbia Michael Reese Hospital and Medical Center's wage data was adjusted during a desk review by the hospital's fiscal intermediary, Mutual of Omaha, its wage data for FY95 indicated an average hourly wage (including wage-related costs) of \$13.81—the lowest average hourly amount in the entire Chicago metropolitan statistical area. This is clearly inaccurate. The hospital is the ninth largest hospital in the metropolitan Chicago area (based on payroll) and a major teaching hospital, with 230 residents during 1995. Further, the hospital's final FY94 wage data indicated an average amount of \$20.56.

The former Columbia Michael Reese Hospital and Medical Center had requested a revision under HCFA's "Data Entry or Tabulation Errors" provision pursuant to final rule HCFA-1049-FC, published November 19, 1998. Under this final rule, certain hospitals were provided a limited opportunity to resubmit their FY95 wage index data. Pursuant to the final rule, the hospital documented that (1) negotiations were in progress with Illinois' fiscal intermediary for adjustments to be made to the wage index data and (2) it was appropriate for HCFA to consider the "totality of the circumstances" applicable to the situation for the following reasons:

The former Columbia Michael Reese Hospital and Medical Center was in the process of being sold to Doctors Community Healthcare Corporation at this time. The transaction was consummated November 12, 1998. Under normal circumstances, the hospital's personnel and intermediary personnel would have realized that the final data grossly understated the average hourly amount for Michael Reese Hospital and Medical Center. However, the system broke down and the appropriate adjustments were not made.

# HUMAN SERVICES

## Legislation

### • TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

**Request:** *Re-authorize the Temporary Assistance to Needy Families Block Grant originally enacted in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This issue must be debated in FY02, as it expires August 31, 2002. Our current federal appropriation is \$585 million.*

This program is designed to provide assistance to needy families with children so that children can be cared for in their own homes; reduce dependency by promoting job preparation, work, and marriage; reduce and prevent out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families. Cash grants, work opportunities and other services are made directly to needy families with children. States have broad flexibility to use the grant funds in any manner that meets the purposes of the program (including providing low-income households with assistance in meeting home heating and cooking costs) and in ways authorized under the predecessors, Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills Training (JOBS) and Emergency Assistance (EA) programs. States may also transfer a limited portion of their assistance grant funds to the Child Care and Development Block Grant (CCDBG) and Social Services Block Grant (SSBG) Programs. Not more than 15 percent of any grant may be spent on administrative costs, exclusive of certain computerization and information technology expenses.

The program has Maintenance of Effort (MOE) requirements. To receive their full allocation, states must demonstrate that they are spending on activities related to TANF, 80 percent of the amount of non-federal funds they spent in FY94 on AFDC and related programs. If they meet minimum work requirements, their mandatory state effort is reduced to 75 percent. For contingency funds, states must maintain maintenance of effort and provide a state match at the fiscal year 1995 federal Medical Assistance Percentage rate (Illinois' rate is 50%). The assistance grant may be reduced for failure to meet any of 11 different program and fiscal requirements. Penalties may be waived for reasonable cause or upon implementation of an approved corrective action plan.

### • CHILD CARE AND DEVELOPMENT BLOCK GRANT

**Request:** *Re-authorize the Child Care and Development Block Grant which has a mandatory/guaranteed and a mandatory/matching component. The federal appropriation in FY00 was \$56.87 million and \$55.25 million respectively.*

The mandatory/guaranteed funds provide child care to low income families to enable individuals to participate in approved education and training activities and to assist families that would otherwise be at risk of becoming eligible for welfare. The mandatory part of the block grant replaces the AFDC/JOBS-Child Care Title IV-A of the Social Security Act and is to be administered by a single agency. Services must maintain current law health and safety standards; four percent of the money is to be set-aside to provide comprehensive consumer education to parents and the public; activities that increase parental choice; and activities that improve the quality and availability of child care, such as resource and referral.

Mandatory/guaranteed funds are allocated based on the federal share of expenditures for Title IV-A child care in FY94, FY95, or the average of FY92-94, whichever is greater. There is no state match required but

the program does have a maintenance of effort requirement. There is a 5 percent cap on administrative funds. 154,000 average monthly children are served. Includes child care services also paid through Title XX Social Services Block Grant and Migrant Head Start.

The mandatory/matching funds have the same program requirements as the guaranteed program. Matching money is not available to the state until a state has expended all of its guaranteed child care grant plus an amount equal to what was spent from its own funds on the Title IV-A child care in FY94 or FY95, whichever is higher.

Mandatory/matching funds are allocated according to the proportion of children under 13 and are capped based on a share of available funds. The state's match is determined by its state Medicaid match. The Illinois rate is 50 percent. There is a 5 percent cap on administrative funds.

• **CHILD CARE AND DEVELOPMENT BLOCK GRANT**

**Request:** *Re-authorize the Child Care and Development Block Grant—Discretionary, which was funded in FY00 at \$44.099 million.*

These discretionary funds are available in addition to the mandatory money and are governed by the same rules. These funds are replacing the current Child Care and Development Block Grant.

Funds are distributed at the discretion of the federal Department of Health and Human Services. Funding will be determined by an annual appropriation. There is a 5 percent cap on administrative funds.

• **SOCIAL SERVICES BLOCK GRANT**

**Request:** *Re-authorize the Social Services Block Grant, which in FY00 totaled \$78.3 million.*

Funded under Title XX of the Social Security Act, this program distributes funds to the states for one of the following five goals specified in the law: (1) to prevent, reduce, or eliminate dependency; (2) to achieve or maintain self-sufficiency; (3) to prevent neglect, abuse, or exploitation of children and adults; (4) to prevent or reduce inappropriate institutional care; and (5) to secure admission or referral for institutional care when other forms of care are not appropriate. The permanent authorization and cap for this program is \$2.38 billion. A state may transfer up to 10 percent of its allotment for any fiscal year to the preventive health and health services, alcohol and drug abuse, mental health services, maternal and child health services, and low-income home energy assistance block grants. Combined federal, state, and local funds provide funding for 23 separate Illinois Social Services through a network of four state agencies.

Funds are allocated among the states on the basis of state population and total U.S. population. States are entitled to payments in an amount equal to its allotment for the fiscal year. Allotments for Title XX are subject to a limitation of \$2.8 billion. Prior to 1982, Puerto Rico and the territories were only allowed to use re-allocated funds not used by states. These jurisdictions now receive the same share of the funds that they received in 1981. Allocations are published in the fall for the fiscal year beginning the following October. There is no matching requirement. We serve some 357,540 annual caseloads. This block grant program was cut regularly during the late 90's. As part of the 1996 welfare deal, Congress made a commitment to the Governors that SSBG would be level funded at \$2.38 million each year. In fact, the Governors reluctantly accepted a 15 percent cut in exchange for a commitment for stable funding in the future. Governor Ryan strongly supported full funding during FY00 federal appropriations discussions.

## • CORPORATION FOR NATIONAL SERVICE

**Request:** *Reauthorize Corporation for National Service. This program has not been authorized since 1995.*

The National and Community Service Trust Act (NCSTA) authorizes the federal Corporation for National Service, state service commissions such as the Illinois Commission on Volunteerism and Community Service, and AmeriCorps and Learn and Serve programs. AmeriCorps is similar to a domestic Peace Corps, with individuals committing to a year of service to communities across the country. Learn and Serve involves youth in service-learning projects that impact communities while reinforcing classroom learning. Federal Grant Number 94.003 provides \$500,000 to aid oversight of funded AmeriCorps program within the state, Federal Grant Number 94.004 provides \$200,000 to encourage the development and implementation of service learning opportunities for school age youth, Federal Grant Number 94.006 provides some \$3.2 million annually to support the AmeriCorps program, Federal Grant Number 94.007 provides \$3.0 million for planning for planning and program development grants.

This year, the Corporation for National Service will provide more than \$13 million to support Illinois communities through three national service initiatives: AmeriCorps, Learn and Serve America and National Senior Service Corps.

## Regulations

### • HIPAA REGULATIONS

**Request:** *Amend the Administration Provisions of the Health Insurance Portability and Accountability Act (HIPAA), as specified in the Final Rule (issued on August 14, 2000) regarding Standards for Electronic Transactions, to provide for a four year (rather than the two year period currently specified in the statute) which would begin on the effective date of the final rule. Illinois is concerned that the regulations called for in HIPAA will impose massive changes of electronic data interfaces for health care transactions that will take years and millions of dollars to implement. Illinois seeks to obtain sufficient time to ensure compliance with the regulations.*

It took HCFA about two years to write and finalize the transaction rule, and it would be virtually impossible for state agencies to comply with all the provisions of this rule within two years. Examples of major issues that require more time to address (*or modifications of the current HIPAA rule requirements*) are:

the elimination of local codes;

the requirement for physicians and hospitals to use NDC codes instead of HCPCS codes (this is a problem for all medical providers, not just those billing Medicaid);

the standard specifying that outpatient claims must be billed with HCPCS codes instead of ICD-9 codes. This requirement will require the Department to revamp totally its pricing methodology for outpatient claims. Such a change is extremely difficult because there is usually more than one ICD-9 code to each HCPCS code and there are usually several HCPCS codes that equate to one ICD-9 code;

the need to process some claims without category or type of service;

the development of systems to accept and return data in the unfamiliar variable formats required;

the need to develop a system that stores data not needed outside the MMIS so it can be returned to the sender;

the lack of final rules for the National Provider Identifier and Attachments, when using the electronic transactions correctly depends in many ways on these two rules.



Many experts have compared the effort of implementing HIPAA to four times the amount of work required for the changes made necessary by Y2K. This monumental overhaul cannot reasonably be expected to be completed within such a short time frame.

• **MENTAL HEALTH SERVICES BLOCK GRANT (MHSBG)**

**Request:** *Mental Health Services Block Grant (MHSBG) - return to previous method utilized for calculating funds to be distributed (manufacturing wages were replaced by non-manufacturing wages).*

A change similar to the SAPTBG was made to the MHSBG which, similarly, will reduce Illinois' share of this important funding source. States were held harmless under this change for FY99, and the appropriation for the MHSBG was increased for FY00. Illinois' actual share of dollars will decrease in future years. We suggest a return to the former method of calculation, with a grandfathering of that base appropriation, and utilizing the new formula only to appropriations above the base.

The MHSBG increase from FY99 to FY00 was \$2.6M.

• **MEDICARE DEFINITION OF HOMEBOUND**

**Request:** *Clarify the HCFA interpretation of the Medicare definition of "homebound" status to determine the eligibility for home health on the condition of the beneficiary rather than on the number of times and circumstances under which the beneficiary leaves the home.*

HCFA currently interprets the legal definition of homebound as infrequent absences from the home, for periods of short duration or for medical treatment. Eligibility for Medicare home health is determined by the number of times and circumstances under which the beneficiary leaves their home. By this definition persons who are receiving Medicare home health services can not participate in Adult Day Care. Often this type of activity is vitally important to the healing and recovery process and will allow an older person to remain in their own home instead of being placed in a nursing home.

Many national aging advocacy organizations including the National Council on Aging and the Alzheimer's Association have been working to clarify this definition in legislation. Several bills were introduced in 2000 to clarify this issue; however, none have been successful.

**Substance Abuse**

• **SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

**Request:** *Reevaluate the funding formula for the Substance Abuse Prevention and Treatment Block Grant (SAPTBG). Previous methods used for calculation provided Illinois with a larger percentage of funding.*

Changes made for FY99 in the data the US Center for Substance Abuse Treatment used to calculate state allocations under the SAPTBG were damaging to Illinois.

Illinois' proportion of national funding was reduced by changing the methodology (which involved replacing manufacturing with non-manufacturing/health specific occupations wages). A hold-harmless has been put in place; however, the entire formula needs to be reevaluated for fairness. Under the current formula, mid-western states suffer.

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- **SYNAR**

**Request:** *Change the provisions of the Synar (tobacco enforcement language in the Substance Abuse Prevention and Treatment Block Grant).*

The SAPT Block grant imposes up to a 40 percent penalty on states substance abuse prevention and treatment funds if tobacco use among minors is not reduced. This provision jeopardizes prevention and treatment funding.

A condition of the Substance Abuse Prevention and Treatment Block Grant is the reduction tobacco use by minors. States are required to keep tobacco from being sold or distributed to minors. The law further requires enforcement activities to achieve this reduction. If states do not meet the reduction requirements, they can lose up to 40 percent of their Block Grant funds. Although the reduction of tobacco use by minors is an important goal, the imposition of a penalty on substance abuse prevention and treatment is misplaced. (Reductions in tobacco use is more attributed to prevention than the Synar enforcement.). This is true particularly because state treatment and prevention offices have no enforcement authority. Currently, there is no state authority responsible for tobacco enforcement, although state legislation has been introduced to create an authority. This is a very political issue and few states have passed state enforcement legislation. Enforcement efforts have been much more successful at the local level. Many Illinois localities are enforcing local ordinances. (Reasonable target rates and penalties must be negotiated.)

- **SUBSTANCE ABUSE PARITY LEGISLATION**

**Request:** *Adoption of Substance Abuse Parity legislation.*

Parity for substance abuse would allow for equitable coverage of addiction treatment similar to coverage for other medical conditions. Parity would allow the employed, as well as those in poverty, increased access to needed medical care. Earlier and better access prevents more debilitating diseases. Parity would save the state 20 percent in treatment public funds that could be paid for with private insurance funds.

Health care coverage plans often do not include or inadequately include reimbursement for substance abuse treatment. Legislation has been introduced over the last few years to provide parity for treatment, but there has been little support for this effort. The cost savings associated with providing people adequate treatment far outweighs the costs. Studies indicate that for every \$1 spent for substance abuse treatment, there is a \$7 in savings to society. A report released by the HHS stated that parity would increase private insurance by only 0.2 %.



## INTERIOR

### • WILDLIFE CONSERVATION AND RESTORATION PLANNING

**Request:** *Obtain increased and permanent funding for Wildlife Conservation and Restoration Planning, moving up from the FY01 one-year appropriation of \$50 million to a guaranteed multi-year annual appropriation of \$350 million as proposed in the Conservation and Reinvestment Act (CARA, HR 701).*

The nation's state natural resource agencies through the International Association of Fish and Wildlife Agencies identified a billion-dollar annual shortfall in funds necessary to conserve all species of wildlife, prevent species from becoming endangered, provide wildlife-related recreation opportunities to meet existing and projected public demand, and educate Americans about the natural resource and economic value of our country's wildlife. Title III of CARA would have provided \$350 million annually, not subject to appropriation, from Outer Continental Shelf Oil Revenues to be distributed to the states on a formula basis to fund wildlife conservation. Illinois would have received \$13.4 million annually. Congress passed enabling language but appropriated just \$50 million (for allocation to 50 states) for one year only. Illinois will receive an estimated \$1.9 million.

### • FISHABLE WATERS ACT OF 2000

**Request:** *Support passage of the Fishable Waters Act that will likely become an amendment to the Clean Water Act. This proposal will provide incentives and resources for fisheries habitat improvement in Illinois waters and will complement the Illinois Rivers 2020 program. The source of the funding will be under the Clean Water Act, and the funds would be authorized to be appropriated from the Depts. of Interior, USEPA and Agriculture.*

The Fishable Waters Act would provide financial and technical resources, guidance and support for locally led, voluntary, non-regulatory, incentive-based efforts that protect and restore watersheds around the country. This act would restore nearly 1 million miles of rivers and streams totaling nearly 4 million acres of our nation's waterways for fishing and other recreational uses.

Legislation was introduced into Congress during 2000 and is expected to be reintroduced in 2001. This is a high priority for the American Sportfishing Association, and is supported by the American Fisheries Society, Bass Anglers Sportsman Society, Izaak Walton League of America, American Rivers, Trout Unlimited, the International Association of Fish and Wildlife Agencies, and others belonging to the Fishable Waters Coalition.



# JUSTICE

## • JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT PROGRAM

**Request:** *Seek change in law authorizing the JAIBG program in regards to the time frame of using the federal funds.*

The Authority is concerned about the “life of the funds” or time frame in which JAIBG funds may be expended by the state. The law authorizing the JAIBG program clearly states that “a state shall repay to the Attorney General any amount that is not expended by the state within 2 years after receipt of such funds from the Attorney General.” Beginning with FY98, when JAIBG funds became available, the Authority delayed requesting JAIBG funds from the Department of Justice until units of local government and the Authority were ready to spend those funds. This was done with the understanding that the “clock” would not start running until JAIBG funds were actually received by the Authority. The Department of Justice has recently decided that the “life of the funds” would be limited to 2 years after the award, not two years after receipt. For the JAIBG program, funds have already been awarded to Illinois for FY99 and FY00. Because of the delay in starting programs, the Authority has not yet requested or received funds from these two fiscal years. Because of the Department of Justice’s new interpretation of the “life of funds” issue, the Authority and units of local government may not be able to expend the FY99 funds before their expiration dates and the state may need to return a significant amount of funds to the federal government. The Authority is requesting that this issue be reviewed by the Department of Justice and that the Department of Justice interpret the “receipt of funds” language in the JAIBG authorization to mean the actual draw down of funds by the state. If that effort is not successful, the Authority requests an amendment to the JAIBG authorization to clarify that funds will be available for expenditure for 2 years after **receipt (draw down) of funding**.

## • JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

**Request:** *Reauthorize the Juvenile Justice and Delinquency Prevention Act—include provisions with amendments which permit Illinois to come into compliance with all four core requirements of the JJDP.*

The JJDP was scheduled for reauthorization three years ago. Each year, the Department of Human Services receives approximately \$5.58 million in four grants from the U.S. Department of Justice’s Office of Juvenile Justice and Delinquency Prevention. An additional \$8.7 million is awarded to the Illinois Criminal Justice Information Authority for the Juvenile Accountability Incentive Block Grant (JAIBG).

Currently states must demonstrate they comply with four core requirements, all having to do with the secure custody of minors, to be eligible to receive the formula grant. At the present time, Illinois is in compliance with three of the four core requirements, deinstitutionalization of status offenders, sight and sound separation of adult and juvenile offenders and disproportionate minority confinement. Because of changes in Illinois law over the past three years, the state is out of compliance with the fourth requirement: jail removal. Unless the JJDP Act changes, Illinois is at risk of losing all of its formula grant, Challenge and Title V funds.

Between 1989 and 1997, Illinois law was consistent with the jail removal requirement which limits the amount of time a juvenile can be incarcerated in an adult facility to six hours. Amendments to State law were made in 1997 and 1999 that have taken Illinois out of compliance with this requirement. The law in question would improve our State’s compliance with the statute.

• **VICTIMS OF CRIME ACT**

**Request:** *To allow the states to maintain all the funds collected from federal fines for use in delivering services to victims of crime.*

The Victims of Crime Act (VOCA) is funded by fines imposed on federal offenders. These fines are placed into the Crime Victims Fund. Funds are then disbursed to the states on a formula basis, and can only be used for direct services to victims of crimes.

The deposits in the Crime Victims Fund have increased significantly over the past several years. Over \$1 billion has been collected for FY00. Because of the large amount of funds available in the Crime Victims Fund, in FY00 Congress placed a limit on the amount of money (\$500 million) from the Crime Victims Fund that can be distributed for VOCA grants. The amount remaining is intended to be reserved for future VOCA funding. The Authority and representatives of victim's advocacy groups are concerned that Congress will view the reserve funds as a source of funding for non-victim programs. The Authority requests that Congressional attempts to divert some of the reserve funds in the Crime Victims Fund for purposes other than for the Victims of Crime Act grants be opposed.

# LABOR

## Legislation

### • COMPENSATING BALANCE ARRANGEMENTS

**Request:** *Preserve states' ability to use compensating balance arrangements to cover banking costs associated with collection of state unemployment taxes.*

The ability to maintain compensating balance arrangements is worth over \$1 million annually to Illinois. While the federal Labor Department officially frowns on the arrangements, it does not appear to have imminent plans to force states to discontinue them. The current peace is an uneasy one, however, and the State needs to continue monitoring the issue.

States are required to transfer the unemployment taxes they collect to the federal treasury. For years, Illinois and other states have temporarily held back a small portion of those revenues, applying the interest on the retained amounts to cover the banking costs associated with collecting the taxes. For Illinois, those banking costs amount to more than \$1 million per year and procure an efficient cash management system that deposits, clears and transfers to the federal treasury 98 percent of all tax remittances within three days—two days during non-peak periods. The federal Labor Department takes the official position that the maintenance of such “compensating balance arrangements” is contrary to federal law, but has tacitly approved the practice for years and has previously assured the Illinois congressional delegation that it would not force states to end the practice without first identifying an alternate funding source to cover the banking costs. The Labor Department acknowledges that federal administrative grants for the state’s unemployment insurance program already fail to cover 10 to 15 percent of the program’s costs. Language specifically allowing compensating balance arrangements was included in the unemployment insurance/employment service (UI-ES) reform package—a tentative agreement among the Clinton Administration, organized labor, some business associations and some state employment security agencies. Some national and state business groups, however, have expressed concerns over the reform package as a whole, for reasons unrelated to the compensating balance issue.

### • MAINTAIN QUARTERLY COLLECTION OF UNEMPLOYMENT INSURANCE TAXES

**Request:** *Maintain quarterly, rather than monthly, collection of unemployment taxes.*

Presently, employers are required to pay unemployment taxes quarterly. The Clinton Administration regularly proposed that employers be required to deposit both federal and state unemployment taxes monthly. Monthly collection of unemployment taxes would triple the workloads of employers and state employment security agencies to achieve what would appear to be an essentially one-time accounting advantage for the federal government.

Monthly collection would generate a one-time federal revenue increase created by accelerating unemployment tax deposits into the Unemployment Trust Fund (part of the Federal Treasury) by one or two months. There would be a minimal revenue increase created by additional interest accrued on the earlier deposits. Maintaining a quarterly collection schedule was part of the so-called unemployment insurance/employment service (UI-ES) reform package—a tentative agreement among the Clinton Administration, orga-



nized labor, some business associations, and some state employment security agencies. While employers oppose monthly collection, several national and Illinois business groups have expressed concern over the reform package as a whole.

## Regulations

### • PROPOSED INS RULES REGARDING FEDERAL UNEMPLOYMENT BENEFITS

**Request:** *Exempt Federal Unemployment Benefit programs from INS-proposed rules requiring that applicants for federal benefits appear in person to present proof of citizenship or eligible alien status.*

Rules proposed by the Immigration and Naturalization Service would require that an applicant for federal unemployment benefits appear in person before the agency administering the benefit and present proof that he or she is a United States national or eligible qualified alien. The rules would make it more difficult for jobless workers to receive benefits to which they are entitled and run counter to the federal government's emphasis on the need for remote claims taking. They would also largely duplicate procedures already in place. Individuals are not eligible for unemployment benefits unless they have previously been employed; as employees, they should already have undergone the I-9 verification process.

Exempting federal unemployment benefits from the INS proposed rules was part of the so-called unemployment insurance/employment service (UI-ES) reform package—a tentative agreement among the Clinton Administration, organized labor, some business associations, and some state employment security agencies. Several national and Illinois business groups, however, have expressed concern over the reform package as a whole.

# MEDICAID/S-CHIP

## MEDICAID

### Legislation

#### • FEDERAL MEDICAL ASSISTANCE PERCENTAGE INCREASE

**Request:** *Change the Federal Medical Assistance Percentage (FMAP) percentage for Illinois. An increase of 5 percentage points in the federal match rate would produce approximately \$350 million annually in revenue for the State of Illinois (another \$50 million to Cook County), and an overall adjustment of the formula based on recent data and studies would yield substantially more.*

The FMAP is determined annually by a formula that compares a state's average per capita income with the national average. States with a higher per capita income level are reimbursed a smaller share of their costs. The FMAP may not be lower than 50% or higher than 83%.

In Illinois, \$7.1 billion was spent in federal FY99 for Medicaid Services. In order to ensure that the State of Illinois can adequately meet its Medicaid health care obligations and address the healthcare needs of Illinois' children and families living in poverty, the federal Medicaid matching formula should be revised to provide a 5 percentage point increase in the federal matching amount for Illinois-changing the federal match from 50% to 55%. The following are several reasons why the FMAP should be changed for Illinois:

Illinois is home to 4.6% of the nation's Medicaid population, but receives only 3.6% of federal funding allocated to that program. The one percentage point differential represents an under-funding to Illinois of \$1 billion annually. Raising the federal matching rate by 5 percentage points merely would begin to close the inequity by increasing Illinois' Medicaid program funding by \$400 million.

Of paramount concern to Illinois is the disproportionately low funding available to address the health care needs of Illinois' vulnerable, at-risk children and families.

At this time, 15% of Illinois children live in poverty. All states with a higher percentage of poverty-stricken children (with the exception of one), and most states with a lower percentage of children in poverty, earn a significantly higher federal Medicaid match. Comparing Illinois to the neighboring states of Iowa and Indiana, which, respectively, have 9.9% and 8.5% child poverty percentages and still receive matching rates in excess of 60%, clearly illustrates the inequity of the federal match structure.

The perception of Illinois wealth is contradicted by the fact that Medicaid funds about 40% of Illinois births, a proportion, which is well above the national average.

Illinois' vast rural areas, where the average percentage of people in poverty approaches 20%, creates significant access challenges in the delivery of health care services. The State faces a tremendous financial and logistical burden in maintaining a sufficient rural health care system to ensure access to preventive and emergency care services for children and families.

While Illinois may be perceived as a wealthy state, the truth is that Illinois is a large state in which 5 of its 102 counties skew the per capita income of the state and create an erroneous perception of state wealth. In examining the bottom quartile of Illinois counties whose citizens largely comprise the State's Medicaid population, the state's per capita income falls by over \$10,500 to \$17,048, making Illinois

much more comparable to its neighboring states of Iowa and Indiana, both of which have federal matching rates exceeding 60%. With its expansive rural low-income areas and pockets of high urban poverty, Illinois is much more characteristic of its neighboring states than the other nine states at a 50% match, the lowest possible Medicaid matching rate.

The shortfall in Medicaid funding received, coupled with the fact that Illinois ranks 48th (out of 51) in federal return of tax dollars paid in (\$.73), again reinforces the inadequacy of Illinois federal Medicaid matching rate and the need to increase the federal match to 55%.

• **DISPROPORTIONATE SHARE OBRA'93 CAP MODIFICATIONS**

**Request:** *Amend Title XIX, Section 1923 (g) of the Social Security Act to extend the 175% cap on spending at government-owned DSH hospitals beyond FY05.*

The recent passage of The Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 contains a section that allows states to make additional DSH payments to government-owned hospitals, if total payments do not exceed 175% of the cost of Medicaid and uninsured care (also known as OBRA limitation) in SFY'04 and SFY'05. The previous OBRA limitation was 100% of Medicaid plus uncompensated care cost.

Through this legislation, Congress has acknowledged the need to provide for the special circumstances of public hospitals and their critical role in the nation's health care "safety net." The State of California has benefited from the 175% cap since July 1, 1997, and, under existing statute, will be the only state allowed to utilize the higher limit after FY05.

It is imperative that the current OBRA limitations on State DSH expenditures be modified, allowing states additional flexibility in addressing the needs of high volume Medicaid safety net providers. Permanently allowing hospital-specific Medicaid expenditures to be paid up to 175% of their OBRA'93 caps at government-owned hospitals would allow Illinois to assure that the State's uncompensated care costs are being reimbursed.

• **INSTITUTIONS FOR MENTAL DISEASES**

**Request:** *Amend the federal Medicaid laws that establish Institutions for Mental Diseases as a category of facility for whose residents federal Medicaid reimbursement is not available. This would allow federal matching funds to be paid on behalf of this class of people.*

Title XIX of the Social Security Act (42 USC 1396 *et seq.*) prohibits use of federal funds for the provision of care to Medicaid-eligible persons, except those under 21 years of age and those 65 years of age or older, who are inpatients of an institution for mental diseases (IMD). This law results in the loss of federal Medicaid funds for nearly all of the medical services and care provided to residents in 79 of 82 IMDs in Illinois, including: 10 State-operated psychiatric hospitals, 8 private psychiatric hospitals, 30 private nursing facilities, and 31 private residential substance abuse treatment facilities serving either both adults and youth or adults only.

The existence of the IMD category constitutes discriminatory treatment of persons with mental illness. At the federal and state levels, lawmakers have dealt with mental health parity in health insurance programs. Federal employees now have mental health parity, guaranteeing that they will have the same benefits for a psychiatric disorder as for a physical condition. It is only fair that Medicaid-eligible persons be accorded the same guarantee of benefit parity.

Various other provisions of Title XIX would also need to be amended to eliminate the prohibition. See, e.g. 42 USC 1396d(a)(1), (4)(A), (14)-(16), and (i).

- **RESCIND 1997 BALANCED BUDGET ACT (BBA) RESTRICTIONS ON DSH SPENDING ON IMD**

**Request:** *Change these limits for Institutions for Mental Diseases, including state facilities. (This request is related to Disproportionate Share Modifications).*

The Balanced Budget Act of 1997 set (dollar) allotments, capping disproportionate share hospital (DSH) adjustment payments to institutions for mental diseases. Illinois has 18 hospital IMDs, including 10 operated by the State.

The disproportionate share program was developed as a means of assisting hospitals providing large volumes of care to low income and Medicaid patients. This funding has enabled hospitals, which provide large amounts of uncompensated care, to continue providing highly specialized services to these populations that would otherwise be unable to access necessary services. The specialized behavioral health services provided by hospitals are just as critical to the health care need of low income individuals and families as are physical health services.

The federal DSH spending limits on hospital IMDs are tied to the overall federal DSH caps that are largely an artifact of DSH spending levels in 1991, some of which were tied to provider donation programs that were viewed as abusive by Congress. These twelve-year old spending patterns bear little relationship to the reality of program changes since that time and to health care needs today. The result is substantial federal under-funding of this critical component of the state's health care network.

- **REBATE ON GENERIC DRUGS**

**Request:** *Amend Section 1927 of the Social Security Act to require manufacturers of generic drugs to pay Medicaid programs a rebate amount, employing the same rebate calculation methodology used when determining the rebate amount for brand name drugs.*

Currently, the rebate paid to Medicaid programs for generic drugs is 11.5% of the average manufacturers (sale) price (AMP). The rebate for brand name drugs, calculated as the difference between the lowest price and AMP plus an anti-inflation factor, usually averages about 15-20% of AMP.

In recent years the price of generic drugs has increased significantly. A change in the rebate formula is needed to control costs in the Medicaid program. A rebate change would have a positive impact on both state and federal revenues. (President Clinton included a similar legislative proposal regarding the generic drug rebate in his FY01 budget.)

- **END RETROACTIVE ADJUSTMENTS FOR DRUG REBATES**

**Request:** *Amend federal regulations under OBRA of 1990 to provide for an end to retroactive adjustments to prior drug rebate periods.*

Currently there is no limit on how far back the retroactive adjustments for prior drug rebate periods can go. Adjustments are still being received going all the way back to the creation of the program in 1991. The continuing receipt of old prior period adjustments means that accounts must be kept open forever. Record keeping and data retention requirements are becoming very burdensome.

- **MEDICAID FAMILY FILING UNIT**

**Request:** *Amend Title XIX of the Social Security Act to allow for a family filing unit when determining income eligibility for Medicaid. This change would have a significant impact in streamlining Medicaid and SCHIP eligibility determination for states, such as Illinois, that have a combined application process.*

When determining whether an individual is eligible for Medicaid, a state may only count the income of a spouse for a spouse and the income of parents for children. For example, if a stepparent lives in the home

or if a child has income, there must be separate individual eligibility determinations for Medicaid. This current requirement often results in different eligibility determinations for children living together in the same family. A change in federal law is required to permit states to define responsibility differently, that is, to consider all of a family's income to be considered available to any member of the family. This standard, already used by TANF and other programs, more accurately represents the financial status/needs of a family unit.

• **MEDICAID BUY-IN FOR PERSONS WITH DISABILITIES WHO WORK**

**Request:** *Revise Title XIX to permit states to establish meaningful and affordable Medicaid buy-in programs to encourage persons with disabilities to maintain employment or return to work and thus reduce dependence on disability benefits.*

As currently structured, the requirements of federal law are too inflexible. Specifically, Congress should allow states the option:

- to define “work” and to establish minimum thresholds of “work” required for eligibility; substantially increase the 7.5 percent cap on premiums;
- to count earned income, unearned income (including SSI) or both when assessing premiums;
- to count SSI income when determining income eligibility;
- to set both lower as well as upper limits of income eligibility;
- to eliminate certain benefits, such as nursing facility care, from the benefits covered by the buy-in;
- to exclude persons living in residential institutions such as nursing facilities, ICFs/MR or sheltered care from the buy-in;
- to establish six to twelve months of “continuous eligibility” to permit Medicaid coverage to continue for short periods when a recipient's health may deteriorate and preclude work; and
- to set upper and lower age limits.

• **ELIMINATE MEDICAID-PAID MEDICARE PREMIUMS**

**Request:** *Amend Title XIX of the Social Security Act to remove state responsibility for payment of Medicare-related premiums, co-payments and deductibles on behalf of certain low-income Medicare beneficiaries from state Medicaid program. Transfer this responsibility to HCFA or the Social Security Administration.*

Over the past decade, Congress has enacted a series of amendments to Title XIX making state Medicaid programs responsible for paying for some or all of the out-of-pocket expenses related to the Medicare program for certain Medicare beneficiaries. The categories of coverage included in these programs are: Qualified Medicare Beneficiary (QMB); Special Low Income Medicare Beneficiary (SLIMB); Qualified Individual 1 (QI1); and Qualified Individual 2 (QI2.) States receive federal reimbursement for spending on QMBs and SLIMBs at their established federal Medicaid match rate. States are reimbursed for 100 percent of spending for QI1s and QI2s. Coverage varies depending on income. The overall design is complex and difficult for potential beneficiaries to understand. Some of the benefits are very low. This change would require amendments to sections 1902(a)(10), 1902(m)(1) and 1905(p) of the Social Security Act.

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• **DELINK MEDICAID AND CASH ELIGIBILITY DETERMINATION FACTORS**

**Request:** *Amend Sections 1902(a)(10)(C), 1902(a)(17), 1902(l), 1903(f), and 1931 of Title XIX of the Social Security Act to separate eligibility determination factors for the Medicaid program from those used for cash assistance.*

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 completely “delinked” the Medicaid program from receipt of cash assistance. As a result, there is no longer any rationale to link how eligibility is determined for Medicaid to how eligibility is determined for cash. The Congress clearly intended that these welfare reform amendments not affect Medicaid eligibility.

States’ ability to design and claim federal match for Medicaid programs should no longer be constrained by TANF limitations. There are three major areas that need to be changed, in order to allow Illinois to make its program more flexible and simplify eligibility determinations for Medicaid.

Change Sections 1902(l) and 1902(a)(10)(C) so that a state’s Medicaid budgeting methodology does not have to correspond to that state’s cash budgeting methodology. In addition, change Section 1902(a)(17) to allow states to establish different income disregards for applicants and recipients, regardless of their coverage group.

Change Section 1931 to require that only persons who were receiving cash benefits on 7/16/1996 be protected by the AFDC cash budgeting methodologies in effect at that time.

Change Section 1903 (f) to establish a maximum medically needy income standard under Medicaid that is not at all tied to the TANF payment level (currently 133% of TANF payment level).

Federal Medicaid law requires that income budgeting to determine Medicaid eligibility be tied to a 1996 AFDC standard. The language requires that Medicaid income budgeting be the “cash methodology most closely related” to the 1996 income assistance methodology. In this era of delinking cash and medical assistance, this methodology should be changed. This requirement often makes it impossible to make adjustments that streamline income budgeting policy.

As long as Illinois is tied to the 1996 budgeting methodologies, we cannot even make minor budgeting changes. For example, it would be much simpler to have a standard earnings disregard that would, in most situations, encompass the current \$90, \$30 and 1/3 exemption (if eligible), and the child care expense. The State cannot set a reasonable disregard because of the prohibition that we cannot disadvantage even one family with a standard disregard, even though this standard disregard would benefit the majority of families.

In addition, we would like to offer an incentive for our disabled population who could possibly move to self-sufficiency with support of a Medicaid Buy-in program. We are hampered in our attempts by the requirement that earnings disregards be the same for applicants as well as recipients.

Similarly, Section 1931 should be changed to permit eligibility policy changes that benefit many and disadvantage only a few. Currently any change that may disadvantage even one person is prohibited. We agree that there is rationale to protect Medicaid coverage for persons receiving assistance when the law was changed on 7/16/1996; however, it is administratively burdensome for a state agency to continue to maintain old policy and calculations.

Finally, even though HCFA has recently promulgated rules to allow states to skirt the medically needy requirement through income disregards, the underlying principle of delinking and the rationale to change this provision remains the same.

• **HOME- AND COMMUNITY-BASED SERVICES**

**Request:** *Amend 42 USC 1396n(c) to allow home- and community-based services that enable people to live outside of Medicaid-funded institutions to be provided, at each State’s option, as service under a waiver or as*

*services under the State Plan, while maintaining the ability to target the eligible populations and establish variable need criteria appropriate for the level and scope of the services.*

Home and Community Based Service Waivers have been available to states for many years. Although the services are well established and accepted, HCFA continues to allow these services only with specific approval of a waiver. Waivers are allowed for three years, with the possibility of five-year renewals at HCFA's discretion. States must submit extra documentation and must negotiate with HCFA on relatively minor points. In some states, these community alternatives now account for more spending than the long term care facility services that they replace.

#### • **DELEGATION OF ELIGIBILITY DETERMINATIONS**

**Request:** *Amend Title XIX of the Social Security Act (42 CFR 431.10) to allow entities other than the Medicaid agency (DPA) or the single state agency for the financial assistance program (DHS) to determine eligibility for Medicaid.*

States are currently prohibited from contracting with any person or organization, other than a state employee, to make Medicaid eligibility determinations. Since welfare reform and the delinking of Medicaid from TANF, HCFA has increasingly pressed states to identify and enroll all eligible persons. A state's ability to develop cost-effective and creative processes for taking and processing applications is limited by the requirement that only a state employee may determine eligibility. Title XIX should be amended to give states the option of using persons other than certain state employees to make eligibility determinations.

#### • **MEDICAID AND SCHIP PRESUMPTIVE ELIGIBILITY**

**Request:** *Amend Titles XIX and XXI of the Social Security Act to allow states to set their own time limits of Medicaid Presumptive Eligibility (MPE) [42 USC 1396r-1(b)(1) (for pregnant women) and 42 USC 1396r-1a(b)(2) (for children) define the presumptive eligibility periods].*

Federal law currently allows two months of Title XIX presumptive eligibility to children and pregnant women. Expenditures classified as Medicaid PE may be claimed as medical assistance at the regular FFP rate. If the state has an approved Title XXI SCHIP Plan (KidCare), much of the PE expenditures must be tracked and applied against the federal Title XXI allotment and limited within the 10 percent administrative and outreach cap. Since PE expenses are medical expenses, Title XXI should be amended to permit PE expenses without a cap (see Change Presumptive Eligibility Expenditures Now Under the Outreach Cap under SCHIP).

Both Title XIX and Title XXI should permit PE that is more flexible than the current Title XIX PE requirements for children. For example, Title XIX currently requires two periods of PE before full eligibility is determined. In practice, this means that families may get three different eligibility periods and three different eligibility cards. States should be permitted to have one longer period of PE. In addition, any changes to PE under Title XIX should be allowed under Title XXI, and vice versa, to ease implementation for states with joint application processes.

#### • **MEDICAID AND SCHIP FOR IMMIGRANTS**

**Request:** *Amend federal immigration law, and related provisions of Titles XIX and XXI, to allow States, at their option, to provide and receive FFP for certain non-emergency Medicaid and SCHIP services to children who are recent immigrants to this country.*

This change would remove a significant barrier to enrollment of children by substantially reducing currently eligible immigrants' fears related to affidavits of support and being reported to the Immigration and Naturalization Service. It would also permit Illinois to claim FFP for recently immigrated children, who

are currently enrolled in KidCare at state expense because they are subject to the five-year ban from federally funded programs.

- **CONTRACT PRIOR APPROVAL**

**Request:** *Amend Title XIX of Social Security Act (42 USC 1396b(m)(2)(A)(iii)) to eliminate prior approval for certain managed care contracts.*

Federal law requires that when services are provided for the benefit of Medicaid clients in accordance with a contract between the State and the entity under which prepaid payments to the entity are made on an actuarially sound basis, prior approvals for such a contract must be attained in each specific case. This requirement is administratively burdensome and unnecessary to perform in the case of each contract. The fundamental flaw in the law should be changed to allow a general outline that, once approved, could be transferred to several contracts.

- **EARLY AND PERIODIC DIAGNOSTIC AND TREATMENT PROGRAM**

**Request:** *Amend Section 1905(r)(5) of the Social Security Act to allow states to limit the range and/or costs of services required in EPSDT programs. This would make it clear that states are allowed to manage case costs and utilize the least expensive alternatives while providing services to diagnose and treat all conditions under the EPSDT requirement.*

Under the EPSDT requirement of the Medicaid program, states must provide Medicaid-eligible children with any medically necessary service. This is, theoretically, a blank check against the Medicaid program. HCFA allows states some flexibility to determine medical necessity and require prior approval of unusual or special services.

Section 1905(r) requires the State to provide services necessary to correct or ameliorate defects and mental illnesses and conditions discovered through screenings, “whether or not such services are covered under the State Plan.” Under current policy, States have no ability to limit the range or cost of services required in an EPSDT program. States should be allowed to efficiently manage case costs and utilize the least expensive alternatives for provided services, without reducing the quality of care.

- **SIMPLIFICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE**

**Request:** *Amend Title XIX, Section 1925 of the Social Security Act and federal regulations to make the current extensive reporting requirements for Transitional Medical assistance flexible. Amend Title XIX to eliminate the specific requirements for reporting income that currently exist for families who qualify for TMA.*

Further amend the law to give states the discretion:

1. to establish their own reporting requirements (including the option of requiring no reporting);
2. to grant every family a full 12 months of Transitional Medicaid (Currently the minimum is six months, beyond that, families must report their income and they cannot earn more than 185% of the federal poverty level to remain eligible); and
3. to extend TMA beyond 12 months.

These provisions should be optional, not mandatory, for states.

Currently, certain Medicaid clients who lose eligibility because of new or increased earnings are eligible to receive Transitional Medicaid (TMA) for up to one year. During the second six months of that year, they must report earnings and other changes in circumstances to the state at least three times. Failure to do so



results in termination of Medicaid. The purpose of this statute is to help persons who are working, during this difficult transition period. The multiple reporting requirements cause families to lose medical benefits they need and are difficult and needlessly time consuming for states to administer. The reporting requirements should be eliminated and states should be given the option to extend TMA to families for longer continuous periods of time and for more than one year.

- **EXPAND FFP FOR TRANSITIONAL MEDICAID**

**Request:** *Amend Title XIX to allow federal match for Transitional Medicaid recipients who have been enrolled for less than three months.*

Federal law currently requires individuals to have been enrolled for Medicaid at least three months before they are eligible for Transitional Medicaid (medical extensions in Illinois), once their earnings rise beyond the income eligibility threshold. As Medicaid is one support program that may keep an individual or family from returning to the TANF rolls, Illinois covers these families at state expense. Title XIX should be amended to permit states to receive FFP for persons who have been enrolled for less than three months but are otherwise eligible for Transitional Medicaid.

- **MEDICAID RECOVERY LAW**

**Request:** *Clarify Medicaid recovery law to expressly permit states to recover from the estates of institutionalized Medicaid clients' deceased community spouses who, while alive, received assets from the clients under the Spousal Impoverishment Transfer policy.*

Currently, federal law is silent on a state's ability to recover from the estate of a Medicaid client's deceased spouse. Some courts have interpreted this silence as prohibiting such recoveries, while other courts have upheld a state's right to recover. The unsettled status of the law encourages abusive estate planning tactics that both prevent the state from being able to reimburse itself for its Medicaid costs, and preclude the application of the assets, which were transferred to maintain the community spouse's quality of life while alive, to reduce Medicaid's costs for the institutionalized client after the community spouse dies. The most common outcome of this scenario is a windfall inheritance for adult children who paid nothing toward the cost of a parent's institutional care.

## **Regulations**

- **SCHOOL-BASED ADMINISTRATIVE OUTREACH CLAIMING**

**Request:** *Require that the Health Care Financing Administration (HCFA) take no negative actions against states until HCFA has issued final guidelines for administrative outreach claiming.*

Under both federal and State law, local education agencies (school districts and special education cooperatives) must provide for the education of children with "special education" needs. To the extent that medical services necessary to facilitate a Medicaid-eligible child's individual ("special") education plan, an exception to the "free care rule" makes FFP available for the services provided. In addition, Medicaid administrative funding is available to both identify the need for and support the provisions of services to this vulnerable population.

Illinois has operated a administrative claiming program for LEAs since 1994 - and was the first State in the nation to do so. Last year, 820 of Illinois' 971 LEAs received over \$180 million in FFP through this program. As more States have initiated administrative claiming programs, HCFA and the Congress have become deeply concerned over perceived and actual abuses. HCFA issued draft guidelines in 1999, but these were seriously criticized and nothing more has happened.

Department staff has worked closely with HCFA staff, in good faith, both to assure that the Illinois' program is preserved and to impact the shape of the final guidelines from HCFA. HCFA Regional staff recently indicated that HCFA has dropped action on its guidelines, and instead plans to require states to issue their own guidelines, subject to HCFA's approval. This leaves states subject to inconsistent HCFA interpretations and sanctions.

- **MEDICAID DISQUALIFICATION**

**Request:** *Amend the Health Care Finance Administration's (HCFA) regulations on Medicaid client disqualification. Illinois would save approximately \$1.6 million annually by disqualifying clients who abuse the program.*

This change would provide states with the authority to administratively disqualify Medicaid clients' eligibility for at least one year for either intentional program violations or fraud or abuse as established through an administrative hearing. Federal regulations currently allow disqualification only for a health care fraud criminal conviction.

## S-CHIP

### Legislation

- **INCREASE THE SCHIP ADMINISTRATION AND OUTREACH CAP**

**Request:** *Amend Title XXI of the Social Security Act (42 USCA 1397ee(c)(2)(A), governing SCHIP (KidCare) to raise the 10% ceiling for the program's administration and outreach expenditures.*

The current federal SCHIP (Illinois' KidCare) program allows enhanced (65% vs. 50%) federal financial participation (FFP) for administrative and outreach costs up to 10% of state SCHIP spending. However, outreach costs associated with building an enrollment base are proportionally greater during the first few years of the program. The administration and outreach ceiling of 10% of annual spending unfairly penalizes the state by not allowing distribution of these greater initial administrative costs over the duration of the program.

In addition, the 10% cap is a barrier to states wanting to initiate presumptive eligibility (PE) programs. Because presumptive coverage is classified as a method of outreach, states must include all costs associated with PE in the 10% cap. This includes not only the administrative costs associated with locating and enrolling eligible children, but also the medical expenses incurred, while presumptively covered, for those children not eventually found eligible (unlike Medicaid).

The benefits of cap expansion include increased and more innovative outreach methods, elevated enrollment levels and heightened flexibility for the state in administering the KidCare program.

- **REQUIRE SOCIAL SECURITY NUMBERS FOR SCHIP APPLICANTS**

**Request:** *Amend the federal Privacy Act to allow states to make the SCHIP and Medicaid programs identical in regard to the provision of Social Security numbers.*

Federal law explicitly requires applicants for benefits under Medicaid to provide Social Security numbers (SSNs). However, federal law does not permit states to require SSNs for SCHIP. For states with joint applications, this is a difficult discrepancy to administer. The SSN is the principal key used in electronic verification of income and other eligibility criteria. Federal law should be amended to explicitly give states permission to require applicants for benefits under separate SCHIP programs to provide SSNs.

- **PAYMENT OF PREMIUMS FOR EMPLOYER SPONSORED COVERAGE**

**Request:** *Amend Title XXI to change the benchmark standard and other stringent requirements on employer-sponsored benefit plans eligible to receive SCHIP funds.*

Federal law and HCFA guidelines severely limit the circumstances under which federal funds may be used to finance payment of premiums for employer-sponsored health care under SCHIP. Illinois' KidCare Rebate is, therefore, funded entirely at state expense. Title XXI should be amended to give states broad discretion to use SCHIP funds to subsidize families who wish to enroll their children in available employer-sponsored coverage. These changes should eliminate federal benchmark standards (including employer funding requirements and family cost-sharing limits), as well as the requirement that children must be uninsured to be eligible. The law should give states much more discretion to customize premium payment programs for children in their states.

- **ALLOW SCHIP COVERAGE OF ELIGIBLE STATE EMPLOYEES**

**Request:** *Amend Section 2110 of Title XXI to allow eligible children of State Employees to benefit from SCHIP coverage.*

Title XXI specifically excludes children whose parents are employed by the State or by an entity participating in a State-operated employee health insurance program. This requirement is difficult to administer and impossible to explain to affected families. At the same time, Title XXI does not exclude children of federal employees, which seems to be an unfair practice. The law should be amended to eliminate the exclusion and treat public employees at all levels of government equitably.

- **TITLE XXI (SCHIP) COVERAGE EXPANSION**

**Request:** *Amend Title XXI and Title XIX of the Social Security Act to permit families and pregnant teens enrolled in a State Children's Health Insurance Program to maintain coverage under SCHIP at time of redetermination or pregnancy, even if they are found to be eligible for Medicaid (Title XIX).*

Once families have been on a medical coverage plan for a year, they often wish to stay in that plan, even if lower income or larger family size makes them eligible for Medicaid. At redetermination, states should have the flexibility to give families who are currently participating in a SCHIP coverage plan with cost-sharing the option of staying enrolled in SCHIP, rather than switching to Medicaid.

- **MEDICAID BACKDATING**

**Request:** *Amend Titles XIX and XXI of the Social Security Act (Medicaid and SCHIP) to remove the requirement for backdating Medicaid eligibility for individuals moving from State Children's Health Insurance Program to Medicaid.*

When families are participating in a SCHIP coverage plan with cost sharing and become financially eligible for Medicaid, it is difficult to provide the family with three months of backdated Medicaid eligibility. Since families in this circumstance were covered through SCHIP, it does not make sense to retroactively change that coverage (just as it would not make sense to change any private form of coverage they may have had). The difficulties of reimbursing for co-payments and premiums paid, new eligibility notices, and federal claiming would be eased by starting Medicaid coverage for these families on a prospective basis only.

## **Regulations**

- **CHANGE PRESUMPTIVE ELIGIBILITY EXPENDITURES NOW UNDER THE OUTREACH CAP**

**Request:** *Allow states to provide medical services during presumptive eligibility periods under Title XXI, without the limitations of the 10 percent cap on administration and outreach.*

As stated in the above request, federal law limits Title XXI administration and outreach spending to 10 percent of medical expenses. HCFA has determined that presumptive eligibility (PE) expenses are subject to the 10 percent cap for those children not subsequently enrolled in either a Title XIX or Title XXI program. Not only does this practice conflict with the Medicaid program (Title XIX), it also further limits what states can spend on outreach efforts. Titles XIX and XXI should be consistent in their PE provisions, so that states with completely integrated enrollment processes for both programs can implement PE in the same manner for both programs.



## SCIENCE AND TECHNOLOGY

### Legislation

#### • REGULATION OF RADON IN WATER

**Request:** *Amend the Safe Drinking Water Act (SDWA) to eliminate the unfunded mandate imposed on Illinois and its Municipal water suppliers by the 1996 radon amendments to the Act. Specifically, amend the Act to require USEPA to establish a Maximum Contaminant Level (MCL) for radon-222 of 4000 pCi/L. Alternatively, increase funding to Illinois through its USEPA State Indoor Radon Grant (SIRG). A total of \$500,000 would be required for FY02.*

To address USEPA's overly zealous regulation of radon-222 in drinking water, the SDWA was amended in 1996 directing USEPA to establish a new standard. Illinois should offer and/or support an amendment to the Act that requires USEPA to establish a Maximum Contaminant Level (MCL) for radon in drinking water. USEPA's Science Advisory Board identifies a reasonable value of 4000 pCi/L. Representing the contribution to radon in indoor air from drinking water, equivalent to the concentration of radon in outdoor air.

In 1991, USEPA proposed a new standard of 300 pCi/L for radon in drinking water, which has not been finalized. The SDWA of 1996 resulted from New England congressional delegation acting to prevent USEPA's promulgation of the proposed radon standard because it would be an undue hardship. The amendments forced USEPA to reconsider its radon drinking water standard.

USEPA's current regulatory strategy includes a risk trade-off scheme designed to accomplish policy goals without explicit legislative authority. USEPA proposed a new rule containing two different limits. The first limit (MCL of 4000 pCi/L) for states that have an USEPA-approved program (Multimedia Mitigation of radon, or MMM program) for radon in indoor air. The second limit (MCL of 300 pCi/L) will apply in states that have no such program. USEPA would give states 90 days following promulgation of the final rule to decide if they will adopt MMM programs. Avoiding a commitment to a MMM program reduces the time allowed for a state to comply with the rule from 4.5 to 3 years.

### Regulations

#### • CLOSE GAP IN REGULATION OF RADIOACTIVE MILL TAILINGS

**Request:** *Amend Atomic Energy Act (AEA) to clarify Nuclear Regulatory Commission (NRC) regulatory authority over all mill tailings waste, including tailings produced prior to 1978 at facilities not regulated by the NRC (or its predecessor, the Atomic Energy Commission). Provide funding to NRC.*

NRC has declined to regulate pre-1978 mill tailings produced at facilities not regulated by the NRC in 1978 based both upon its interpretation of federal law and lack of funding to regulate these wastes. We

believe the wastes should be regulated by the agencies with expertise in regulating possession and disposal of radioactive materials—either the NRC or Agreement States.

The radioactive wastes produced by the processing of ore for its source material (uranium or thorium) content are defined as “byproduct material” under Section 11.e.(2) of the AEA and are commonly known as “mill tailings.” NRC was given authority to regulate mill tailings in the Uranium Mill Tailings Control Act of 1978 (UMTRCA), which amended the AEA. NRC has interpreted UMTRCA not to confer regulatory authority over mill tailings that were generated prior to 1978 in the course of activities not regulated by NRC.

## TAX AND TRADE

- **FULL DEDUCTIBILITY OF SELF-EMPLOYED HEALTH INSURANCE PREMIUMS**

**Request:** *Allow Self-Employed Health Insurance Premiums to be fully deductible.*

H.R. 3081, as introduced in the 106<sup>th</sup> Congress, would increase the deduction for health insurance (as well as qualified long-term expenses) of self-employed individuals to 100 percent beginning in 2001. This provision modifies current law, which does not phase in full deductibility of health insurance expenses for self-employed individuals until 2003. Under current law, individuals may deduct 60 percent of their health insurance expenses in 1999 through 2001, 70 percent in 2002, and 100 percent in 2003.

In 1998, Illinois had an uninsured rate of 15.0%, while the national average was 16.3% (U.S. Census Bureau). This is an increase from the 1997 rate of 13.9%, when the national rate was 18.3% (total population under age 65, "Facts from Employee Benefits Research Institute (EBRI), March 1999." The same EBRI study confirmed the crunch on small businesses, with 27.2% of workers in firms with under 10 employees being offered health insurance, compared to 74.4% for those in companies with over 1,000 employees. Allowing full deductibility of health insurance premiums will go a long way toward alleviating the strain on small businesses and allowing more individuals to purchase insurance on their own.

- **ELIMINATION OF THE FEDERAL UNEMPLOYMENT TAX SURCHARGE**

**Request:** *Support passage of legislation to eliminate the Federal Unemployment Tax Surcharge.*

This surcharge has been added for years onto the federal unemployment tax that businesses pay, costing employers approximately \$14 per employee, per year. It was originally imposed to repay a debt to the federal general fund from the federal accounts in the Unemployment Trust Fund. While the debt was repaid long ago, the federal government has consistently extended the surcharge. There is no longer a legitimate rationale for continuing this tax on employers in Illinois and around the country.

- **LIFT THE TRADE EMBARGO ON CUBA**

**Request:** *Establish normal relations with Cuba.*

America's "Cuban Policy" has remained in place—essentially unchanged—since Fidel Castro came to power in 1959. The economic embargo was imposed in 1962. With the collapse of the Soviet Union in the early 1990's, the US Congress sought to hasten the end of Castro's rule by "tightening the embargo." The Congress passed the Cuban Democracy Act of 1992, the so-called Torricelli Amendment, to prohibit foreign-based subsidiaries of US corporations from trading with Cuba. When that, too, failed to have the intended effect, Congress passed the Helms-Burton law—the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996—that made the embargo statutory.

Through all of these actions, America's policy towards Cuba is premised on "pressuring" the Cuban government to change, to promote more democracy and to respect human rights. The US has attempted to "isolate" Cuba from the world community.

In recent years—particularly since the January 1998 visit to Cuba by Pope John Paul II—there have been some modest humanitarian changes in Cuba that benefit the Cuban people. Cuban Americans and Cuban families living in the US are allowed to send "remittances" of up to \$300 per quarter to close relatives still



in Cuba. People-to-people contacts also have been enhanced, and food shipments have been authorized to independent entities.

The State of Illinois believes that it may now be a historic opportunity for the US to re-evaluate its policy toward Cuba and focus on how to ease the eventual transition to a post-Castro regime. The state believes the United States should concentrate on what can be done in the short term to help the Cuban people meet certain basic human needs and to help more Cubans move toward a market economy. The long term goal should still be a peaceful transition to an open and democratic society.

• **EXTENSION OF THE WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK TAX CREDIT**

**Request:** *Support extending the Work Opportunity Tax Credit and Welfare-to-Work Tax Credit.*

The Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Credit encourage employers to hire from disadvantaged target groups. Both credits are scheduled to sunset on December 31, 2001. In Illinois alone, for Federal Fiscal Year 2000, employers qualified to claim one of the two credits with respect to more than 30,000 new hires.

The WOTC seeks to address the employment and training needs of a large group of individuals who face significant barriers to employment. Employers may claim the credit for hiring individuals from any of eight targeted groups, including TANF recipients, ex-felons, high-risk youth, SSI recipients, and summer youth. This program enjoys significant bi-partisan support and is endorsed by the employer community. Congress has repeatedly re-authorized the credit, but, apparently because of federal budget rules, only for short periods each time.

The Welfare-to-Work tax credit encourages employers to hire long-term welfare recipients. The targeted group may overlap with some WOTC groups; however, this tax credit can reduce an employer's federal tax liability by as much as \$8,500 over a two-year period. Since only one of the two credits can be claimed, employers who retain the employee for the required amount of time opt for the Welfare-to-Work credit.

• **EXTENSION OF THE TRADE ADJUSTMENT ASSISTANCE (TAA) AND THE NORTH AMERICAN FREE TRADE AGREEMENT—TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAMS (NAFTA-TAA)**

**Request:** *Extend Trade Adjustment Assistance and the North American Free Trade Agreement—Transitional Adjustment Assistance programs established under the Trade Act of 1974.*

Workers who lose their jobs or whose hours of work and wages are reduced as a result of imports may be eligible for special assistance through the Trade Act programs. During Fiscal Year 2000, there were 1,100 individuals approved for training in Illinois. A little over \$15 million in income support was paid to 2,504 individuals for the same period. Authorization is scheduled to sunset September 30, 2001.

The TAA and NAFTA-TAA programs are administered in Illinois by the Department of Employment Security. They offer an array of retraining and reemployment services tailored to meet the needs of individual workers. Under the Trade Act, the Department may provide up to 104 weeks of approved training in occupational skills, basic remedial training, or training in literacy or English as a second language. The Department may also provide income support, known as Trade Readjustment Allowances: weekly cash payments available for 52 weeks after a worker's regular unemployment insurance benefits have been exhausted, during the period in which the worker is participating in an approved full-time training program. It also provides Job Search Allowances payable to cover expenses incurred in seeking employment outside an individual's normal commuting area, and relocation allowances that provide reimbursement for approved moving expenses for individuals successful in obtaining employment outside their normal commuting areas. The program is supported by organized labor.

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- **DEFERRED COMPENSATION REFORMS**

**Request:** *Implement proposed pension reform provisions to IRC Section 457 for Deferred Compensation Plans as passed by Congress last year to allow greater flexibility in the administration of such plans.*

In the last 106<sup>th</sup> Congress, pension reform provisions, as introduced by Reps. Portman (R-OH) and Cardin (D-MD) were passed to allow more flexibility in the administration of deferred compensation plans. These provisions would affect the State's Deferred Compensation plan by: allowing for portability between IRAs, 457, 403(b), 401(k) Plans; allowing for flexibility in payment distribution, allowing for the purchase of service credits toward retirement, clarifying the treatment of Domestic Relations Orders; and changing the maximum deferral rate.

These changes are viewed favorably by the Illinois Department of Central Management Services and the National Association of Governmental Defined Contribution Administrators (NAGDCA), an association made of state and local government plans. In addition, NAGDCA's legislative committee has made numerous trips to provide testimony to promote the passage of these initiatives. In the last session of Congress, pension provisions were presented to President Clinton on two occasions, the Taxpayer Refund and Relief Act of 2000 and the combined tax/health bill in October. The components of HR 1102, which NAGDCA supported, were the measures used in larger vehicles. Other attempts at passage failed with the Taxpayer Refund and Relief Act of 1999 and the Bankruptcy Reform Act of 1999.

- **TREASURY FINANCIAL MANAGEMENT SERVICES FEE WAIVER**

**Request:** *Assistance in seeking relief from the \$16.50 fee IDOR must pay the Treasury's Financial Management Services for each Federal offset.*

The joint effort between the Illinois Department of Revenue and the Department of the Treasury's Financial Management Service (FMS) to offset federal tax refunds to resolve state tax debt has proven a successful venture for the State of Illinois. During the first year of the program, IDOR offset nearly \$7.7 million and voluntarily received \$2.5 million due to the program.

Our concern, however, is with the fee associated with the offset process. When an account is offset by FMS, there is a cost of \$9.65 charged to the state that is taken from the offset amount sent to the state, (this amount will be increased to \$16.50 for tax season 2001, year 2000 tax returns).

The Illinois Department of Revenue would like to get the fee eliminated from this program.

Since 1995, IDOR has performed the same offset function for the IRS and there is no associated fee. If the state had charged a similar \$9 fee, the cost incurred would have totaled in excess of \$500,000. Thus, in all fairness, there should not be a fee charged the State of Illinois when the Illinois Department of Revenue is doing the same function with no cost to the federal government. A letter was sent from Director Glen Bower to Commissioner Rossotti in October 2000 discussing this inequity. There has been no response as of this writing.

- **WAIVER FROM SOCIAL SECURITY ADMINISTRATION**

**Request:** *Assistance in getting the fee waived for the IDOR to receive monthly or quarterly death master file lists from the Social Security Administration.*

The Social Security Administration's death information would enhance the file IDOR currently obtains from the Illinois Department of Public Health. It will assist with our account receivables, refunds and circuit breaker by closing out taxpayer accounts.

The SSA views the Departments request as a Freedom of Information Inquiry. We were told that the "Death Master File" is available for sale to the public and that the SSA categorizes any non-federal agency



## VETERANS' AFFAIRS

- **VA HOSPITAL RESTRUCTURING**

**Request:** *Ensure that proposed VA hospital restructuring for VISN-12 does not undermine the quality of and access to health care for veterans.*

Federal Veterans' programs, particularly VA medical care, should be adequately funded. The federal government must continue to meet the needs of the men and women who served our nation by ensuring that VA benefit levels are maintained, benefit claims are processed in a timely manner and quality health care is provided.

Of specific concern to the State of Illinois are VA proposals to restructure health care services in Veterans Integrated Service Network (VISN) 12 which encompasses the greater Chicagoland area. If the VISN proposal moves forward, steps must be taken to ensure that hospital closures or realignments do not undermine the quality of and access to health care for veterans.

